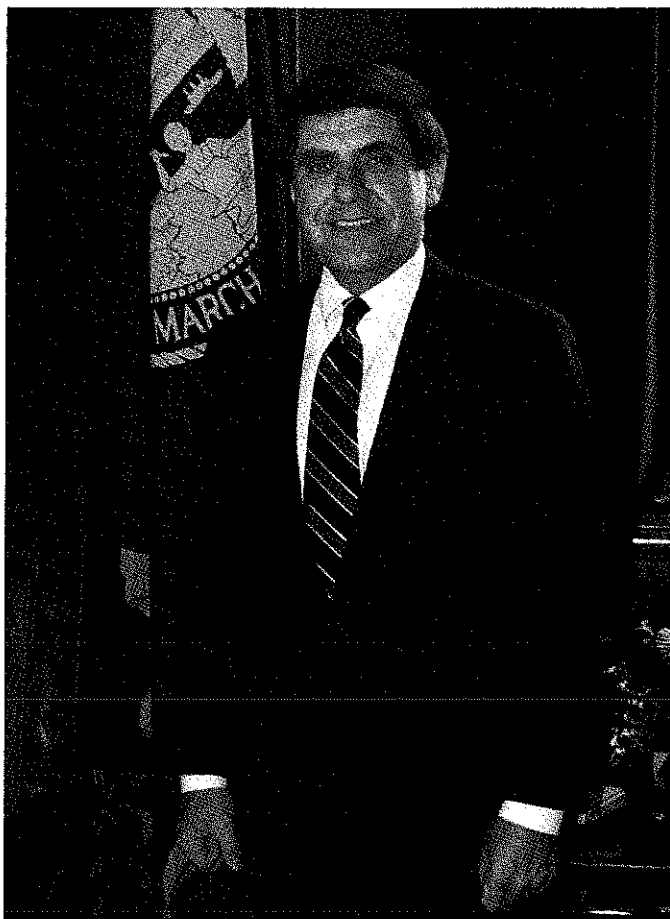


**State of Nebraska**

**Comprehensive Annual Financial Report**

**Year Ended June 30, 1995**



**E. Benjamin Nelson**  
*Governor*

**Department of Administrative Services**

**Lawrence S. Primeau**  
*Director*

**Robert D. Luth**  
*Accounting Administrator*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1995

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

	Page
Transmittal Letter from the Governor .....	5
Selected State Officials .....	6
Transmittal Letter from the Department of Administrative Services .....	7
Organization Chart .....	16
Certificate of Achievement .....	17

### FINANCIAL SECTION

Independent Auditors' Report .....	20
General Purpose Financial Statements	
Combined Balance Sheet – All Fund Types, Account Groups and Discretely Presented Component Units .....	24
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types and Expendable Trust Funds .....	27
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual (Budgetary Basis) – General, Cash, Construction, Federal and Revolving Funds .....	28
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings/Fund Balances – All Proprietary Fund Types and Similar Trust Funds .....	31
Combined Statement of Cash Flows – All Proprietary Fund Types and Nonexpendable Trust Funds .....	32
Combined Statement of Changes in Fund Balances – Discretely Presented Component Units – College and University Funds .....	34
Combined Statement of Current Funds Revenues, Expenditures and Other Changes – Discretely Presented Component Units – College and University Funds .....	36
Notes to the Financial Statements	
Summary of Significant Accounting Policies .....	37
Budgetary Process .....	41
Cash and Cash Equivalents and Investments .....	43
Deposits and Investments Portfolio .....	43
Due To/From Other Funds .....	46
Fixed Assets .....	46
Bonds Payable .....	46
Lease Commitments .....	48
General Long-Term Debt .....	48
Obligations Under Other Financing Arrangements .....	48
Contributed Capital .....	49
Restatements .....	49
Pension Plans .....	50
Deferred Compensation Plan .....	54
Contingencies and Commitments .....	54
Risk Management .....	55
Segment Information .....	55
Required Supplementary Information	
Analysis of Funding Progress for Defined Benefit Pension Systems .....	59
Schedule of Revenues by Source and Expenses by Type – School Retirement System .....	60
Schedule of Revenues by Source and Expenses by Type – Judges' Retirement System .....	61
Schedule of Revenues by Source and Expenses by Type – State Patrol Retirement System .....	62

## TABLE OF CONTENTS (Continued)

### FINANCIAL SECTION (Continued)

#### Combining and Individual Fund Statements

##### Special Revenue Funds

Combining Balance Sheet – All Special Revenue Funds .....	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – All Special Revenue Funds .....	66

##### Enterprise Funds

Combining Balance Sheet – Enterprise Funds .....	70
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings – Enterprise Funds .....	71
Combining Statement of Cash Flows – Enterprise Funds .....	72

##### Internal Service Funds

Combining Balance Sheet – Internal Service Funds .....	74
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings – Internal Service Funds .....	76
Combining Statement of Cash Flows – Internal Service Funds .....	78

##### Trust and Agency Funds

Combining Balance Sheet – All Trust and Agency Funds .....	83
Combining Balance Sheet – Expendable Trust Funds .....	84
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Expendable Trust Funds .....	86
Combining Balance Sheet – Pension and Nonexpendable Trust Funds .....	88
Combining Statement of Revenues, Expenses, and Changes in Fund Balances – Pension and Nonexpendable Trust Funds .....	90
Combining Statement of Cash Flows – Nonexpendable Trust Funds .....	92
Combining Statement of Changes in Assets and Liabilities – All Agency Funds .....	94

##### General Fixed Assets Account Group

Schedule of General Fixed Assets by Function .....	96
Schedule of Changes in General Fixed Assets by Function .....	96
Schedule of General Fixed Assets by Source .....	97

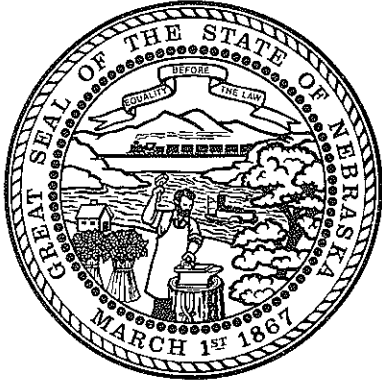
##### Component Units

Combining Balance Sheet – Discretely Presented Component Units – All College and University Funds .....	101
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### STATISTICAL SECTION

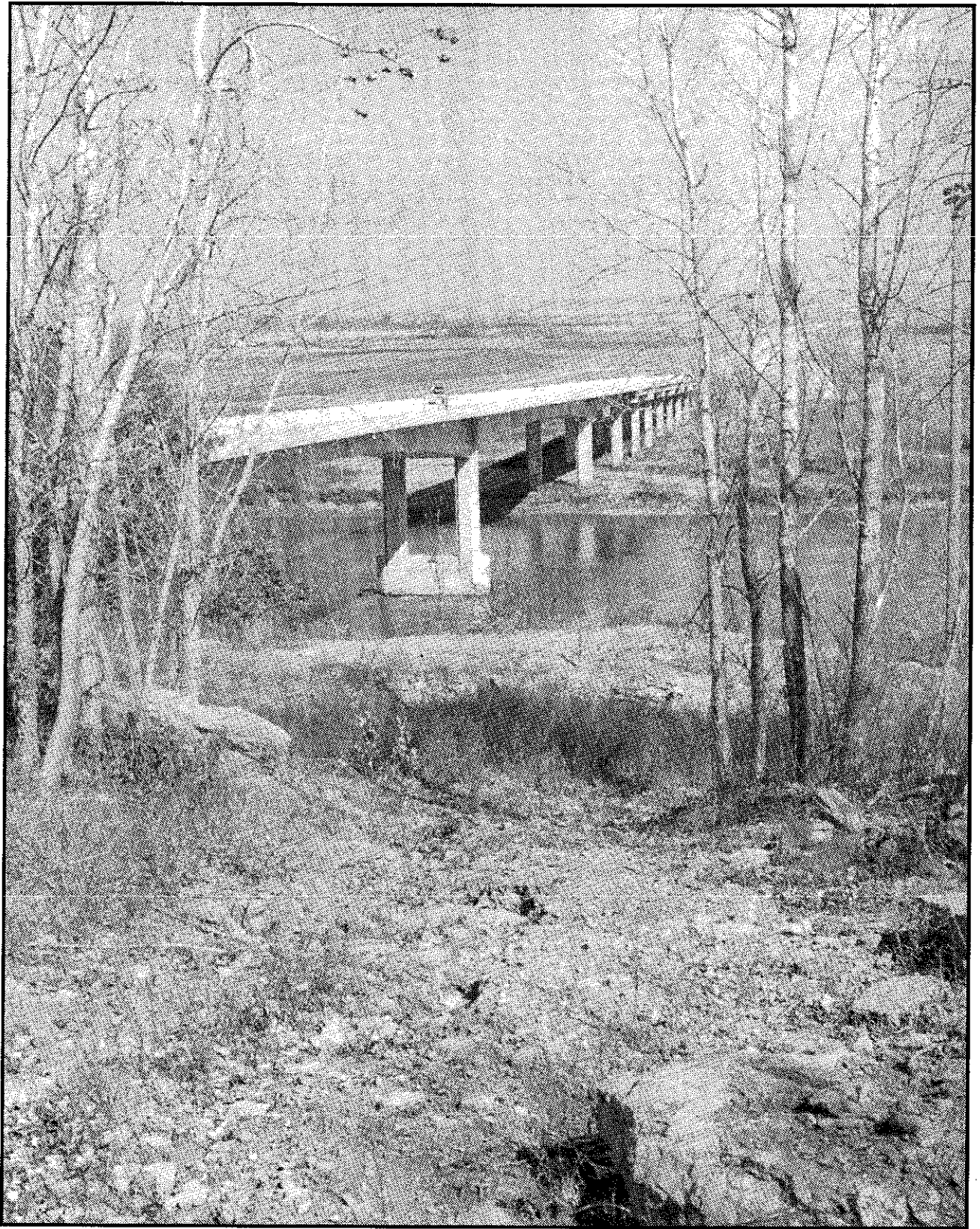
Ten Year Schedule of Revenues and Expenditures – All Governmental Fund Types .....	104
Schedule of Budgetary Fund Conversion Table .....	106
Revenue Bond Coverage – Colleges and Universities .....	111
Economic Characteristics .....	112
Miscellaneous Statistics .....	119





# INTRODUCTORY SECTION

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This is the Highway 2 bridge that faces east into Iowa. It spans the Missouri River near Nebraska City.

# STATE OF NEBRASKA



E. Benjamin Nelson  
Governor

## EXECUTIVE SUITE

P.O. Box 94848  
Lincoln, Nebraska 68509-4848  
Phone (402) 471-2244

December 14, 1995

Members of the Legislature  
Citizens of the State of Nebraska

It is my pleasure to submit Nebraska's Comprehensive Annual Financial Report for the fiscal year 1995.

This report demonstrates the fiscal control and integrity that is one of the principal objectives of my administration. It also demonstrates the fiscal strength and stability of the Nebraska economy as evidenced by the recent and projected gains in employment, personal income and retail sales.

During the past year, the Legislature acted on several of my initiatives dealing with welfare reform, economic development and crime. These initiatives will provide significant benefits to the citizens of Nebraska with minimal costs in terms of tax dollars to finance the changes.

Our ability to manage our fiscal affairs and provide full disclosure of the State's fiscal condition is demonstrated by the unqualified audit opinion that follows. I am also proud to report that the 1994 report that was submitted to the Government Finance Officers Association was awarded the prestigious Certificate of Achievement for Excellence in Financial Reporting for the fourth consecutive year. I am confident that the 1995 report will also receive this distinction.

I would like to thank the Department of Administrative Services for its commitment in dealing with the complex accounting issues in preparing this report and to all the state agencies for their cooperation in gathering the necessary information.

Sincerely,

A handwritten signature in cursive script, reading "Ben Nelson".

E. Benjamin Nelson  
Governor

## SELECTED STATE OFFICIALS

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### EXECUTIVE

**E. Benjamin Nelson**  
Governor

**Kim M. Robak**  
Lieutenant Governor

**Donald B. Stenberg**  
Attorney General

**John A. Breslow**  
Auditor of Public Accounts

**Scott Moore**  
Secretary of State

**David Heineman**  
State Treasurer

### JUDICIAL

**C. Thomas White**  
Chief Justice  
Supreme Court of Nebraska (7 Judges)

### LEGISLATIVE

**Ron Withem**  
Speaker of the Legislature  
Nebraska Unicameral (49 Senators)

# STATE OF NEBRASKA



E. Benjamin Nelson  
Governor

## DEPARTMENT OF ADMINISTRATIVE SERVICES

Lawrence S. Primeau

Director

P.O. Box 94664

Lincoln, Nebraska 68509-4664

Phone (402) 471-2331

December 13, 1995

The Honorable E. Benjamin Nelson, Governor  
Members of the Legislature  
Citizens of the State of Nebraska

We are pleased to present the Comprehensive Annual Financial Report of the State of Nebraska (State) for the fiscal year ended June 30, 1995. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Department of Administrative Services, Accounting Division. We are confident the data presented is accurate in all material respects, is presented in a manner that fairly sets forth the financial position and results of operations of the State as measured by the financial activity of its various funds, and that all disclosures necessary to enable the reader to gain an understanding of the State's financial position and results of operations have been included.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) for governments as established by the Governmental Accounting Standards Board (GASB).

The Comprehensive Annual Financial Report is presented in three sections as follows:

- The Introductory Section includes this transmittal letter, the State's organizational chart and a list of principal officials.
- The Financial Section includes the auditor's report, general purpose financial statements, required supplementary information, and the combining and individual fund and account group financial statements and schedules.
- The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds and account groups of the State. The State provides a full range of services including: the construction and maintenance of highways and infrastructure, education, social and health services, public safety, conservation of natural resources, economic development, and recreation facilities and development. In addition to general government activities, the Legislature and Governor exercise, or have the ability to exercise, oversight of the Nebraska Public Employees Retirement System, the Nebraska Unemployment Compensation Fund, and the Nebraska Lottery.



## ECONOMIC CONDITION AND OUTLOOK

### Revenues and Expenditures

A major factor in all financial and budget decisions will be the amount of revenue available to finance funding requests and initiatives. Current projections anticipate net general fund cash receipts of \$1.834 billion during the fiscal year ending June 30, 1996, a 7.6 percent increase over 1995 actual receipts. A significant portion of this revenue is dependent on individual income tax and sales and use tax, both of which are directly related to personal income. Through the end of November, net general fund receipts have fallen behind projections by \$13.5 million.

During the last Legislative session, several appropriation bills were passed and signed by the Governor that will bring the total State General Fund cash basis appropriation for fiscal year 1996 to \$1.81 billion (up 5.6 percent from 1995). The total biennium appropriation is projected to result in a June 30, 1997, reserve amount of \$133.1 million or 3.5 percent. This reserve amount is within the 3 to 7 percent reserve requirement required by the Constitution and State Statutes.

### Economy

The outlook by the Bureau of Business Research at the University of Nebraska-Lincoln for 1995 and 1996 calls for solid economic advances by the Nebraska economy. The Bureau's latest report for December, 1995, predicts that employment, personal income and retail sales will all continue to show positive growth.

Employment grew at a rate of 3.7 percent in 1994. The 1995 and 1996 growth rates are expected to average around 2.0 percent. To the extent that employment gains are the result of conversions from full-time to part-time jobs or additions of part-time jobs, the magnitude of the gains may be slightly overstated.

Personal income grew solidly in 1994, reflecting strength in wages and salaries. Gains are expected to be around 5.0 percent for 1995 and 1996. Following adjustment for inflation, real gains in personal income will be slightly above 2.0 percent for both years.

Slower motor vehicle sales in 1994 were offset by strong non-motor vehicle sales. The result was an increase of over 7.0 percent in 1994. In response to continued strength in the Nebraska economy, retail sales should continue to around 5.0 percent for 1995 and 1996.

	1991	1992	1993	1994	1995	1996
<b>Employment:</b>						
Annual Totals	739,212	750,153	767,212	795,486	813,889	827,902
Growth Rates	1.3%	1.5%	2.3%	3.7%	2.3%	1.7%
<b>Personal Income:</b>						
Annual Totals (in millions \$)	28,889	30,774	31,780	33,795	35,461	37,292
Growth Rates	4.4%	7.3%	3.3%	6.3%	4.9%	5.2%
<b>Net Taxable Retail Sales</b>						
<b>Growth Rates:</b>						
Total	3.2%	4.8%	6.1%	7.4%	5.2%	5.1%
Motor Vehicle Sales	-5.8%	4.0%	13.7%	6.7%	2.7%	4.0%
Nonmotor Vehicle Sales	4.5%	4.9%	5.1%	7.5%	5.5%	5.2%
<b>U.S. Consumer Price Index</b>	4.2%	3.0%	3.0%	2.6%	3.0%	3.5%

# **MAJOR INITIATIVES**

## **Welfare Reform**

Additional legislation was passed by the Legislature and signed by the Governor to continue the Welfare Reform Initiative begun in 1994. The 1995 legislation made a significant number of changes in the Aid to Dependent Children (AFDC) program and authorized the Department of Social Services to seek federal waivers for implementation of these changes. Collectively, the 1994 and 1995 actions provide for intensive case management, increased job training, enhanced child care benefits and stepped-up enforcement of child support collections, with the elimination of payments after two years of assistance.

## **Economic Development**

There was three pieces of economic development legislation enacted to facilitate major economic development in the State. The major piece of legislation was the Quality Jobs Act (Act) that was designed to encourage both new and existing businesses to relocate to and expand in Nebraska and to provide appropriate inducement to do so.

The Act's development incentive allows companies to receive an annual "wage benefit credit" if a minimum number of new jobs and property investment are made. Other pieces of legislation provided for "tax increment financing" and access to reduced rates for electrical service.

Other legislation was passed which provides funding assistance for continued ethanol production in the State. This legislation imposes an excise tax on grain sales through the year 2000.

## **Conference of the States**

Nebraska is one of the lead states in promoting a national effort to call a Conference of the States. The idea for the conference arose because of concerns regarding the relationship between state and federal governments. According to its supporters, the goal of the conference is to create a "State's Petition," which consists of "an action plan to restore checks and balances between states and the national government." During the past legislative session, a resolution was passed appointing the Governor and a delegation of senators to represent Nebraska at this conference. At least 26 states must approve similar resolutions in order for such a conference to be called.

## **Governor's Crime Bill**

A bill signed by the Governor contains many provisions to reduce crime in Nebraska. Among its many provisions, the bill:

- Creates drug-free zones around schools and other youth locations.

- Equalizes penalties for possession of crack and powder cocaine.

- Increases penalties for drive-by-shootings.

- Creates a habitual criminal classification.

- Equalizes probation officers' salaries.

- Reduces probation possibilities for habitual criminals.

- Requires Nebraska Supreme Court expedition of capital appeals.

## FINANCIAL INFORMATION

### Internal Controls

Management of the State is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the State are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

### Budgeting Controls

Budgetary control is maintained through legislative appropriation and the executive branch allotment process. A budget is required to be adopted through passage of appropriation bills by the Legislature. The appropriated funds are allocated by program and are controlled by the executive branch through an allotment process. This process allocates the appropriation by program and fund type. The Legislature may also enact a supplemental appropriation bill and other appropriation bills as it deems necessary.

State law does not require encumbrance accounting, although, there is a provision in the law for agencies to encumber items at the end of one biennium to carry over the encumbered amounts to the next biennium. Because the encumbrance process is not mandatory, the State does not record encumbrances on its financial statements.

The State's budgetary process is explained in detail in Note 2 of the notes to the financial statements.

### General Government Functions

General governmental activities are accounted for in three governmental fund types. These fund types are the: general, special revenue and capital projects funds. The debt service fund is not utilized because all outstanding revenue bonds have been paid off. Revenue and other financing sources for general governmental functions totaled \$3.51 billion for the fiscal year ending June 30, 1995, an increase of 7.70 percent over revenues for the fiscal year ending June 30, 1994.

The State's most significant sources of revenue are its retail sales tax, individual income tax and Federal grants and contracts.

As of June 30, 1995, the following tax rates were in effect:

TYPE	PERCENT	DATE OF LAST CHANGE
Sales and Use Tax	5.0%	July 10, 1990
Corporate Income Tax	5.58% and 7.81%	January 1, 1991
Individual Income Tax	2.62% to 6.99%	January 1, 1993

The corporate income tax rate is comprised of two brackets that break at \$50,000 of taxable income. There are four individual income tax brackets that break at various amounts depending on filing status. Nebraska income is based on federal adjusted gross income minus a standard deduction or itemized deductions and personal exemptions. A personal exemption credit



replaces the deduction for personal exemptions. The personal exemption credit is \$69 for 1995. The credit is phased out as federal adjusted gross income increases for higher income taxpayers.

Revenue from various sources for fiscal year 1995 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

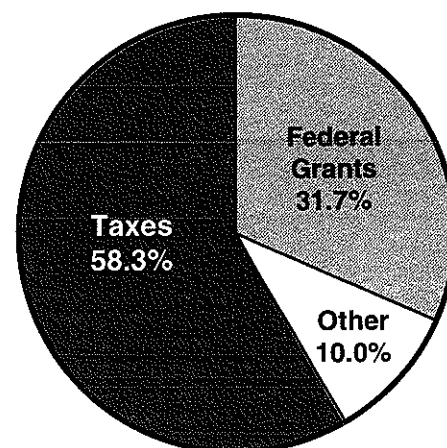
REVENUES AND OTHER FINANCING SOURCES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1994	PERCENT OF INCREASE (DECREASE)
Income Tax	\$ 867,037	24.71%	\$ 31,103	3.72 %
Sales and Use Tax	774,012	22.06	27,583	3.70 %
Petroleum Tax	255,278	7.27	8,144	3.30 %
Other Taxes	150,224	4.28	(4,808)	(3.10)%
Federal Grants and Contracts	1,112,819	31.71	134,293	13.72 %
Licenses, Fees and Permits	131,832	3.76	8,553	6.94 %
Charges for Services	69,008	1.97	6,939	11.18 %
Investment Income	34,091	0.97	9,991	41.46 %
Rents and Royalties	7,787	0.22	575	7.97 %
Other	39,478	1.12	3,741	10.47 %
Total Revenues	3,441,566	98.07	226,114	7.03 %
Other Financing Sources	67,889	1.93	24,789	57.52 %
Total Revenues and Other Financing Sources	<u>\$ 3,509,455</u>	<u>100.00%</u>	<u>\$ 250,903</u>	7.70 %

Increases in revenues are highlighted by:

- Income taxes increased by \$31.1 million or 3.72 percent and sales and use taxes increased by \$27.6 million or 3.70 percent. These increases are consistent with and are primarily attributable to the increase in personal income and net taxable retail sales during 1994 and 1995.
- Federal Grants and Contracts increased by \$134.3 million. This increase is primarily due to increases in reimbursements for the federal share of the Medicaid program. There were also significant increases in federal aid for emergencies, airport construction, and waste water treatment facilities
- Licenses, Fees and Permits, and Charges for Services increased \$15.5 million or 8.36 percent. This increase is primarily due to the effort to utilize fee income rather than income taxes to fund certain operations.
- Investment income increased by \$10.0 million or 41.46 percent. This increase is attributed to a 25.70 percent increase in the rate of return on the investment pool in which temporary cash balances are invested and a 14.00 percent increase in the average cash balances for the year.

Expenditures and other financing uses for general government activities totaled \$3.46 billion for the fiscal year ending June 30, 1995, representing an 8.37 percent increase from 1994. General government expenditures by function for fiscal year 1995 and the amount and percentage of increases and decreases in relation to the prior fiscal year are as follows (expressed in thousands):

REVENUES – 1995

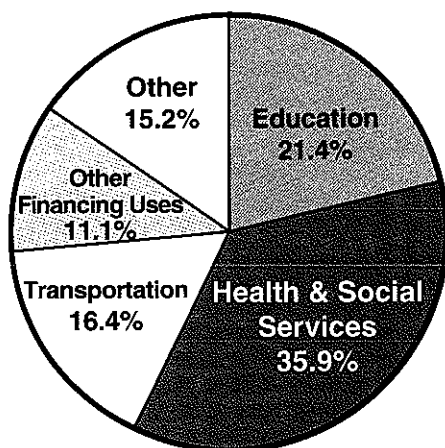


EXPENDITURES AND OTHER FINANCING USES	AMOUNT	PERCENT OF TOTAL	INCREASE (DECREASE) FROM 1994	PERCENT OF INCREASE (DECREASE)
Current:				
General Government	\$ 77,080	2.23%	\$ 4,545	6.27 %
Conservation of Natural Resources	62,144	1.80	3,562	6.08 %
Culture – Recreation	17,309	0.50	2,397	16.07 %
Economic Development and Assistance	59,904	1.73	5,503	10.12 %
Education	740,086	21.39	55,722	8.14 %
Health and Social Services	1,241,041	35.86	139,777	12.69 %
Public Safety	166,367	4.81	10,617	6.82 %
Regulation of Business and Professions	46,508	1.34	2,218	5.01 %
Transportation	569,731	16.46	26,721	4.92 %
Intergovernmental	90,287	2.61	(3,654)	(3.89)%
Capital Projects	3,234	0.09	(652)	(16.78)%
Debt Service	2,579	0.07	166	6.88 %
Total Expenditures	3,076,270	88.90	246,922	8.73 %
Other Financing Uses	384,234	11.10	20,311	5.58 %
Total Expenditures and Other Financing Uses	<u>\$ 3,460,504</u>	<u>100.00%</u>	<u>\$ 267,233</u>	8.37 %

Increases in expenditures were highlighted by:

- Education increased \$55.7 million or 8.14 percent. Approximately \$30.0 million is attributable to increases in the amount of state aid provided to education and special education. Other increases are attributable to new expenditures in the Education Innovation Fund which received funding from the Lottery and regular inflationary increases in operating expenditures.
- Health and Social Services increased \$139.8 million or 12.69 percent. Most of the increase is due to an increase in aid payments in the Medicaid, Aid to Families with Dependent Children (AFDC) and Title XX programs administered by the Department of Social Services. Other minor programs and administrative cost increases account for the remainder of the increase.
- Transportation expenditures increased \$26.7 million or 4.92 percent due to increased road construction.

**EXPENDITURES – 1995**



#### Fund Conversion

The State's budgetary funds are grouped into the appropriate generic fund types to report the State's financial activity in conformance with GAAP. Approximately 500 budgetary funds have been grouped into the 60 individual funds that are included in the financial statements. Note 2 of the financial statements includes a matrix that shows the perspective differences that result from this conversion.

#### General Fund Balance

The fund balance of the general fund increased by \$11.8 million to a total of \$77.3 million at June 30, 1995. The cash balance of the General Fund was \$198.6 million. Current cash flow projections place the June 30, 1996, cash balance at approximately \$229 million.

## Proprietary Operations

The State has two enterprise funds included in the financial statements which provide services for individuals and entities outside state government. These activities include the State Lottery Fund and the Excess Liability Fund. The lottery, which began activity in 1993, generated \$79.0 million of operating revenues and income before transfers of \$24.3 million. The Excess Liability Fund provides liability coverage for certain health care providers. Operating revenues, which are primarily insurance premiums, amounted to \$3.7 million. The retained earnings for this fund were \$32.5 million at June 30, 1995.

The State has several internal service funds which provide a variety of services to state agencies. These include computer services, transportation services, telecommunications, printing, general services, building management, risk management and other services. The operating revenues for the internal service funds were \$153.1 million for fiscal year 1995. These funds ended the year with total retained earnings of \$63.5 million. This is equivalent to approximately five months of operating expenses.

## Retirement Systems

Total net assets of the State's pension trust funds reached \$2.9 billion. These are the assets of the three defined benefit plans (School, Judges and State Patrol plans) that are administered by the State and two defined contribution plans (County and State Employees plans) which are administered by a third party.

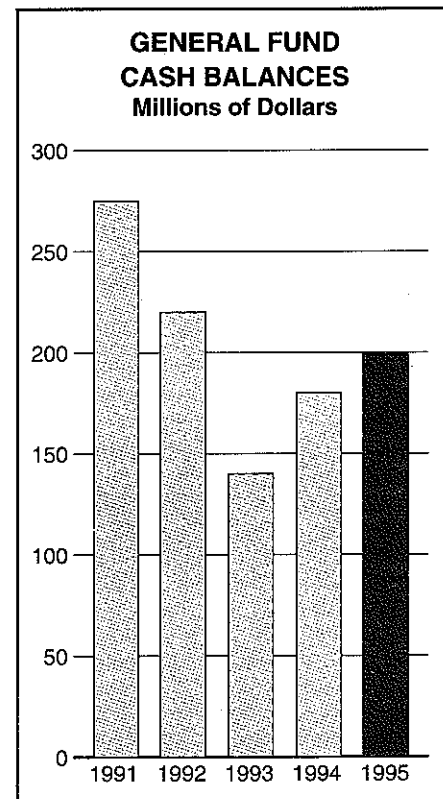
## Debt Administration

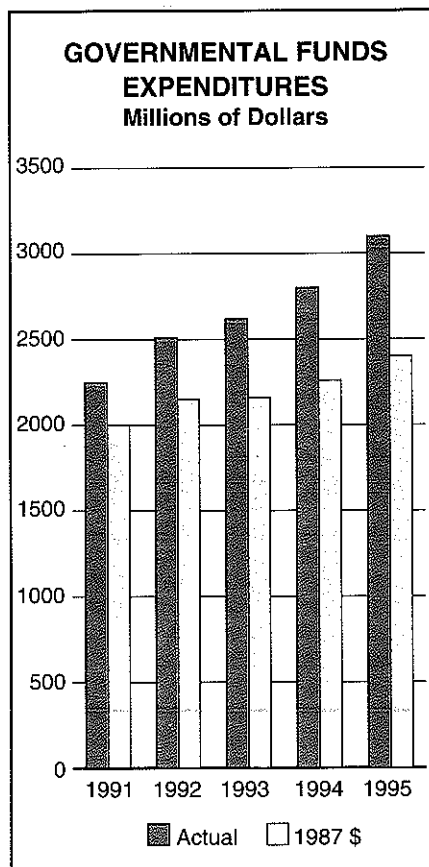
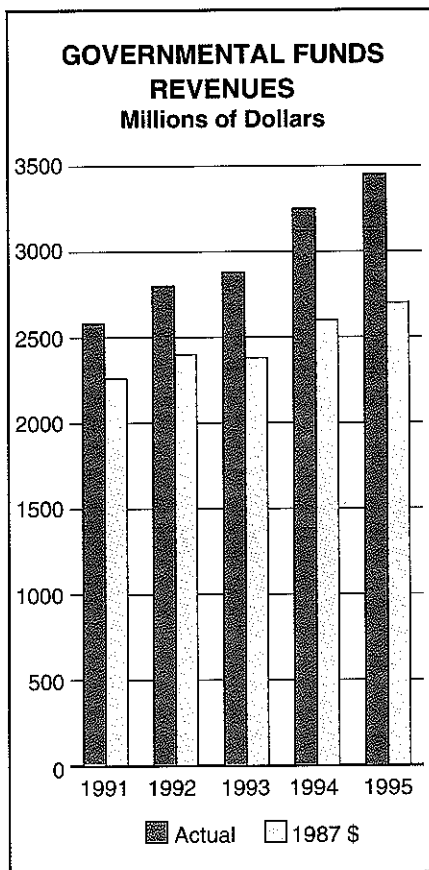
Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 1995, there was no outstanding debt for either of these purposes. The State can enter into capital lease and other financing contracts provided that the contracts include cancellation clauses if the Legislature does not appropriate funds to continue the lease or financing arrangement.

There is \$11.3 million of bonds payable by separate legal entities that have been blended into the financial activity of the State. These bonds do not represent a general obligation of the State and are secured by revenues from the building and equipment that the debt was incurred to purchase.

The Constitution also authorizes the Board of Regents of the University of Nebraska, the Board of Trustees of the Nebraska State Colleges, and the State Board of Education to issue revenue bonds to construct, purchase, or remodel educational buildings and facilities. The payment of these bonds is generally made from revenue collected from use of the buildings and facilities. At June 30, 1995, \$51.2 million of bonds were outstanding.

The Legislature has authorized the creation of two financing authorities that are not subject to State constitutional restrictions on the incurrence of debt. These financing authorities were organized to assist in providing funds for the construction of capital improvement projects at the Colleges and Universities. At June 30, 1995, these authorities had \$56.9 million of bonds outstanding. Although the State has no legal responsibility for the debt of these financing authorities, they are considered part of the reporting entity.





## Risk Management

The State does not insure a significant portion of its buildings or their contents against theft, fire or other risks. Workers' compensation coverage is provided on a self-insurance basis.

Commercial insurance coverage has been purchased for automobile liability, employees errors or omissions, and employee health and accident claims.

## Cash Management

All cash is required to be deposited with the State Treasury. With the assistance of the State Investment Officer, the State Treasurer pools all cash in the Short Term Investment Pool (STIP) which is comprised of short-term instruments. Interest earnings are credited on a monthly basis to each fund that the Legislature has designated as eligible to earn interest. All interest earnings not credited to other funds is deposited in the General Fund.

At June 30, 1995, there was \$966.3 million invested in the STIP. This was invested as follows: 51.9 percent in government securities; 31.8 percent in commercial paper; 7.2 percent in money market funds; 5.5 percent in certificates of deposit; and 3.6 percent in other investments. For the fiscal year ending June 30, 1995, the average daily balance of \$927.9 million returned \$48.2 million, a 5.17 percent yield. This yield represents an increase of 1.06 percent from 1994.

State law requires that all public funds deposited in banks be secured by the bank by maintaining, at all times, an aggregate amount of securities equal to 10 percent more than the amount on deposit, less the \$100,000 insured by the Federal Deposit Insurance Corporation (FDIC).

It is the State's policy to continually monitor the clearing and depository banks for compliance with this law.

## General Fixed Assets

The general fixed assets of the State are those fixed assets used in performance of general governmental functions. They do not include infrastructure (roads, bridges, flood control projects, etc.) or fixed assets of proprietary funds and the colleges and universities.

At June 30, 1995, the general fixed assets of the State amounted to \$485.4 million. This amount represents the valuation of general fixed assets in accordance with GAAP and the State's capitalization policy as described in Note 1 of the Notes to the Financial Statements.

## AUDITS

The firm of KPMG Peat Marwick LLP has audited the general purpose financial statements and their report is included in the Financial Section of this report. Again this year, this report includes an unqualified opinion on the financial statements. The audit was conducted in accordance with generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards*. The required reports on internal control and compliance with laws and regulations are included as part of the state-wide Single Audit report, which is issued under a separate cover.

The audits described above were designed to meet the requirements of the Federal Single Audit Act of 1984 and the related U.S. Office of Management and Budget's Circular A-128.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the State of Nebraska for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1994. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR whose contents conform to rigorous program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The State of Nebraska has received a Certificate of Achievement for the last four consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.


## CONCLUSION

This report continues our commitment to comprehensive disclosure of the State's financial condition. We are committed to issuing reports that are informative and meet governmental accounting standards. Reports that meet these standards provide the reader with an opportunity to make more informed judgments about the government's financial position and results of operations.

The 1995 Comprehensive Annual Financial Report represents our commitment to this goal. We wish to express our appreciation to the Department of Administrative Services accounting staff and the budget and accounting staff throughout State government for their assistance in the preparation of this report.

Your comments and suggestions are welcome.

Respectfully submitted,

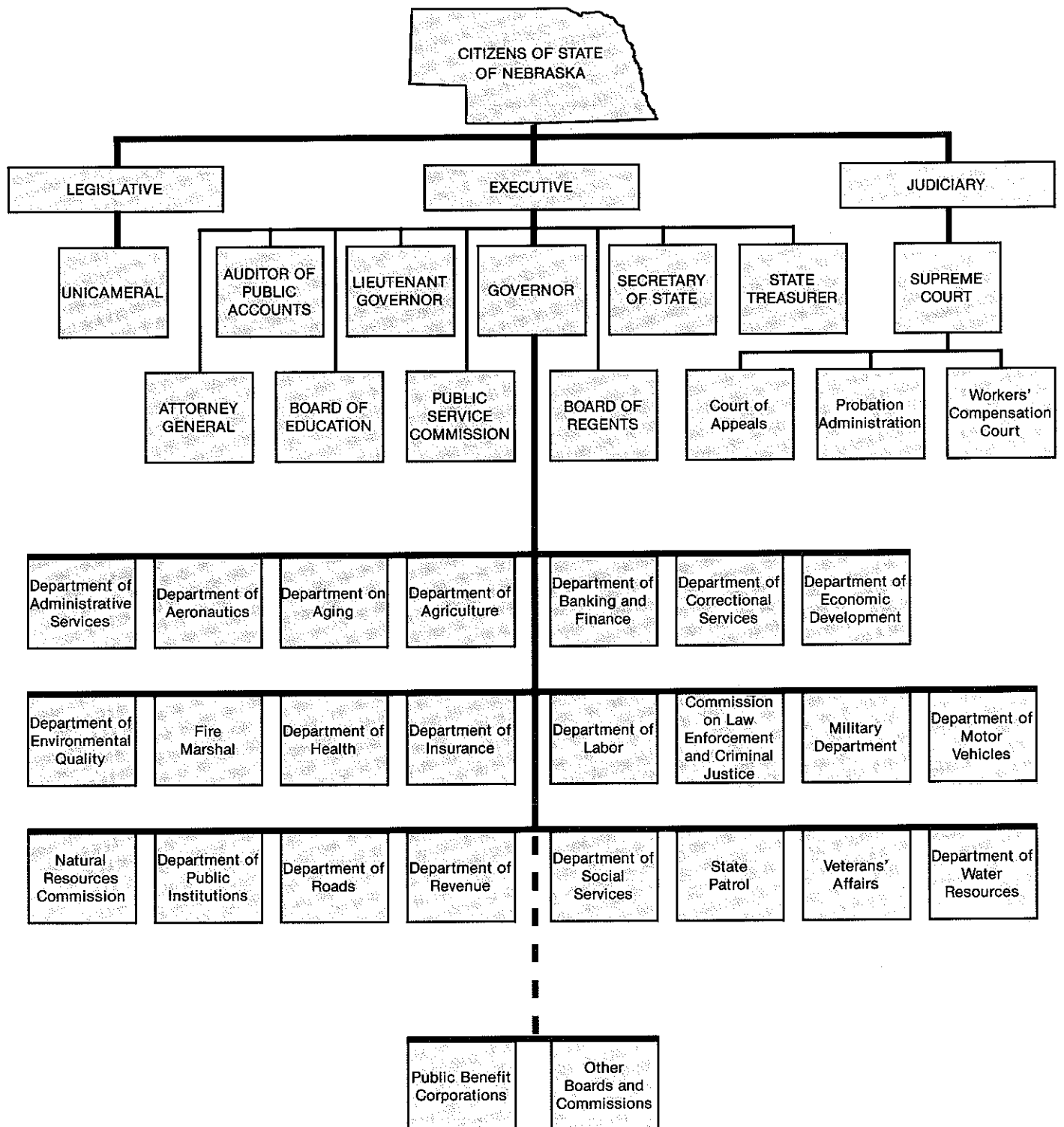


Lawrence S. Primeau  
Director, Department of  
Administrative Services



Robert D. Luth  
State Accounting  
Administrator

# ORGANIZATION CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

State of  
Nebraska

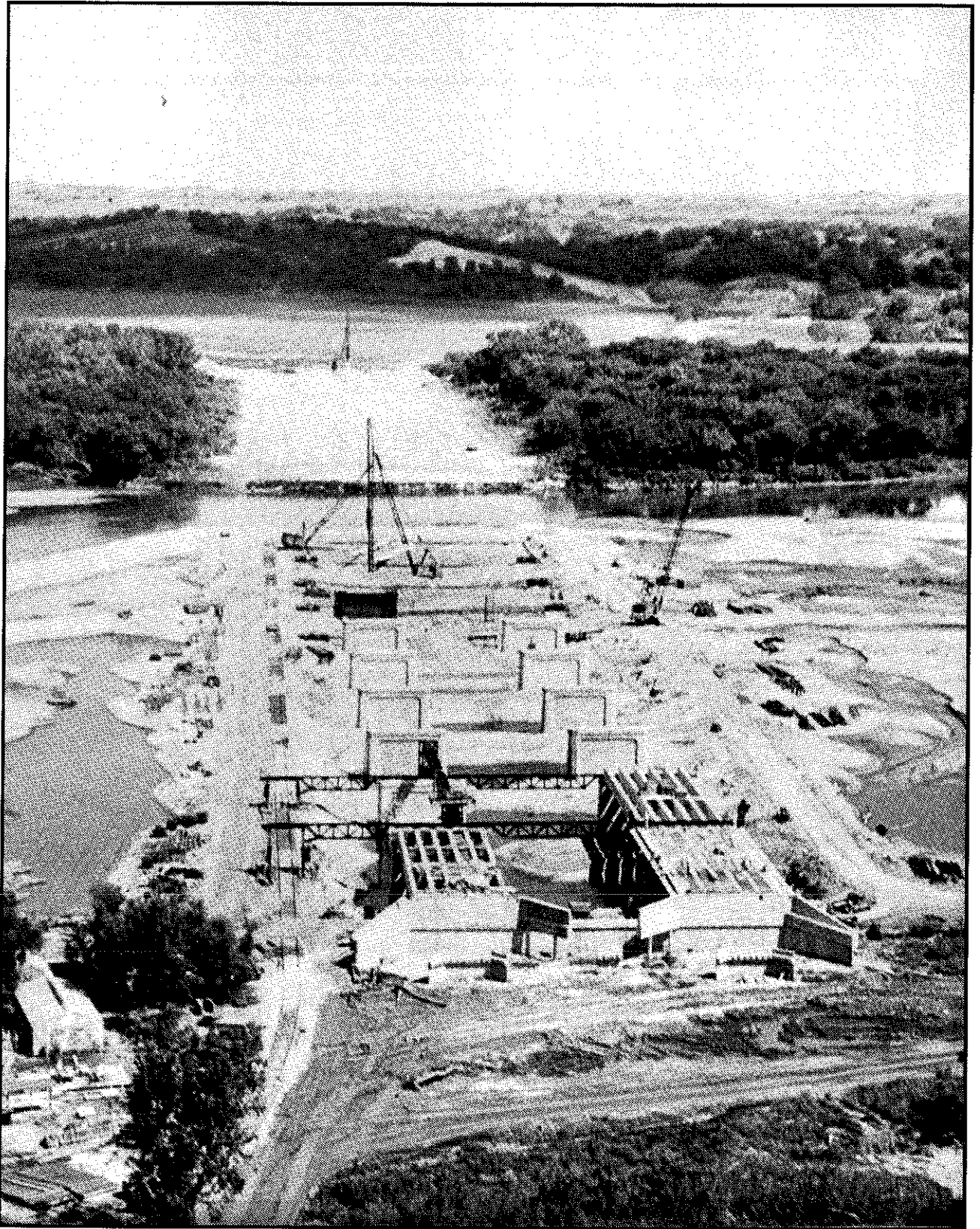
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 1994

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



In 1960, the Interstate bridges across the Platte River near Ashland began to take shape.





## FINANCIAL SECTION

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## INDEPENDENT AUDITORS' REPORT

The Honorable Governor,  
Members of the Legislature and  
Citizens of the State of Nebraska

We have audited the accompanying general purpose financial statements of the State of Nebraska as of and for the year ended June 30, 1995, as listed in the foregoing table of contents. These general purpose financial statements are the responsibility of the State's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of Chadron State College, Peru State College, Wayne State College, the University of Nebraska, the University of Nebraska Facility Corporation, the Nebraska State Lottery enterprise fund, and the State and County Employees' Retirement Plans, which represent 99.8% and 99.2% respectively, of the total assets and total revenues and other additions of the discretely presented component units; 25.5% and 95.5% respectively, of the total assets and total operating revenues of the enterprise fund type; and 21.5% and 20.9% respectively, of the total assets and revenues of the pension trust fund type. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion on the general purpose financial statements, insofar as it relates to the amounts included for Chadron State College, Peru State College, Wayne State College, the University of Nebraska, the University of Nebraska Facilities Corporation, the Nebraska State Lottery enterprise fund, and the State and County Employees' Retirement Plans, is based solely on the reports of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the State of Nebraska as of June 30, 1995, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 12, 1995, on our consideration of the State of Nebraska's internal control structure and a report dated December 12, 1995, on its compliance with laws and regulations.

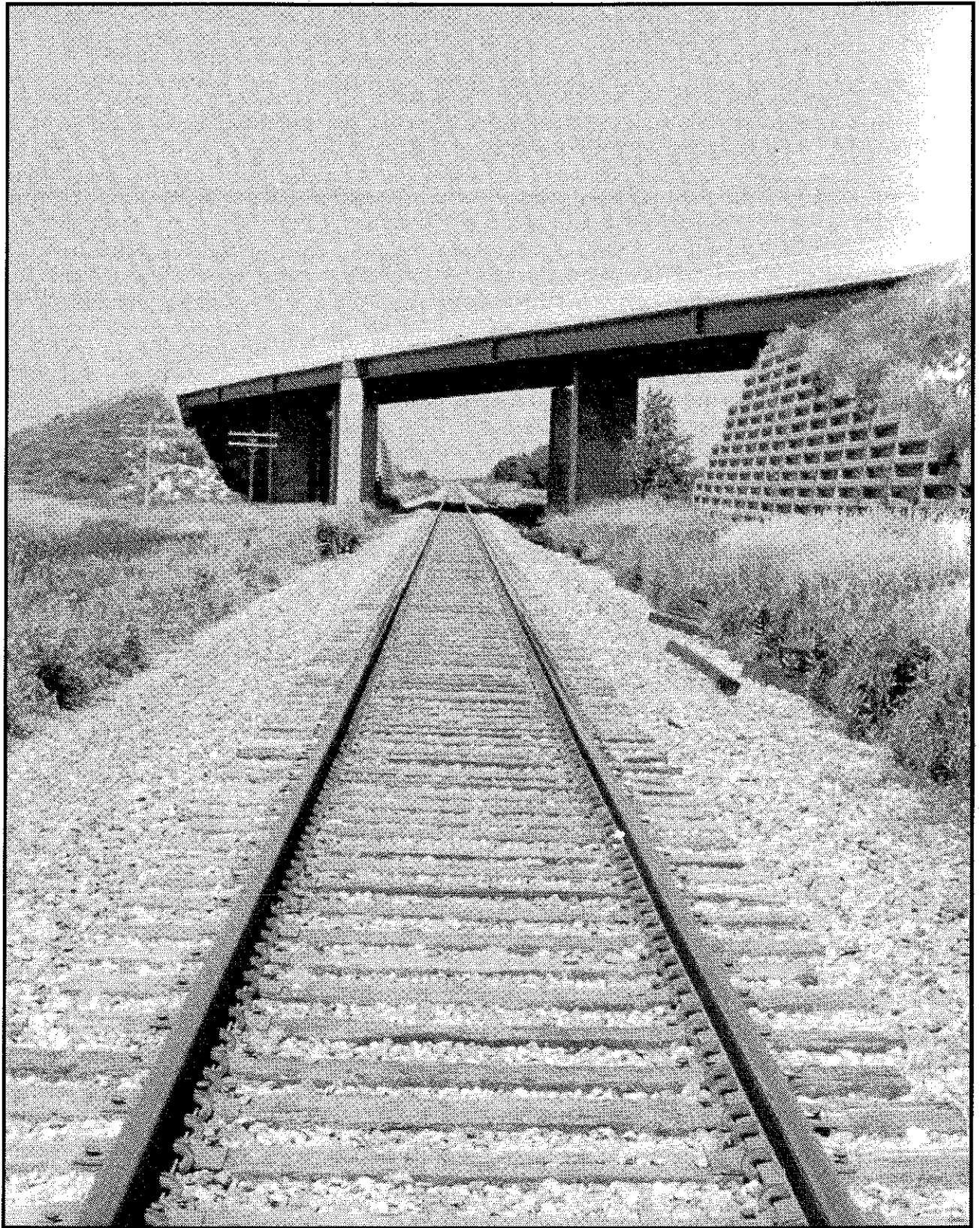
As discussed in Note 12 to the general purpose financial statements, during 1995, the State implemented Governmental Accounting Standards Board Statements No. 10, "Accounting and Financial Reporting for Risk Financing and Related Issues"; No. 19, "Governmental College and University Omnibus Statement"; No. 21, "Accounting for Escheat Property"; No. 22, "Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds"; and No. 24, "Accounting and Financial Reporting for Certain Grants and Other Financial Assistance".

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund statements and schedules within the financial section as listed in the foregoing table of contents, which are also the responsibility of the management of the State of Nebraska, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the State of Nebraska. Such additional information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, based on our audit and the reports of other auditors, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

The required supplementary information on pages 59 through 62 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

*KPMG Peat Marwick LLP*

Lincoln, Nebraska  
December 12, 1995



A train engineer's view of tracks going under the overpass on US-6 west of Dorchester

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## **GENERAL PURPOSE FINANCIAL STATEMENTS**

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## State of Nebraska

**COMBINED BALANCE SHEET – ALL FUND TYPES, ACCOUNT GROUPS AND DISCRETELY PRESENTED COMPONENT UNITS**

June 30, 1995

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES		
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS
<b>ASSETS AND OTHER DEBITS:</b>			
Cash and Cash Equivalents	\$ 198,570	\$ 355,043	\$ 5,883
Cash on Deposit with Fiscal Agents	-	8,106	-
Investments	-	10,392	-
Receivables, net of allowance			
Taxes	155,723	36,772	-
Due from Federal Government	16	116,950	124
Loans	55	56,570	-
Other	3,654	22,091	89
Due from Other Funds	3,000	4,551	258
Due from Primary Government	-	-	-
Inventories	-	34,194	-
Prepaid Items	63	76	-
Property, Plant, and Equipment, net	-	-	-
Other	351	708	-
Amount Available for Debt Service	-	-	-
Amount to be Provided For Debt Service	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 361,432</b>	<b>\$ 645,453</b>	<b>\$ 6,354</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 30,986	\$ 83,034	\$ 464
Tax Refunds Payable	156,214	3,723	-
Due to Other Governments	110	7,474	-
Deposits	379	6,086	-
Deferred Compensation Payable	-	-	-
Due to Other Funds	35,863	8,166	250
Due to Component Units	13,537	-	-
Claims Payable	44,494	57,129	-
Bonds Payable	-	-	-
Capital Lease Obligations	-	-	-
Obligations under Other Financing Arrangements	-	-	-
Accrued Compensated Absences	-	-	-
Deferred Revenue	2,560	24,689	-
Other	-	302	-
<b>TOTAL LIABILITIES</b>	<b>284,143</b>	<b>190,603</b>	<b>714</b>
<b>FUND EQUITY AND OTHER CREDITS:</b>			
Investment in Fixed Assets	-	-	-
Contributed Capital	-	-	-
Retained Earnings:			
Reserved	-	-	-
Unreserved	-	-	-
Fund Balances:			
Reserved for:			
Long-Term Receivables	55	56,570	-
Inventories and Prepaid Items	63	12,376	-
Debt Service	-	7,612	-
Unemployment Compensation Benefits	-	-	-
Endowment Principal	-	-	-
Pension Benefits	-	-	-
Unreserved:			
Designated for Colleges and Universities	-	-	-
Undesignated	77,171	378,292	5,640
<b>TOTAL FUND EQUITY AND OTHER CREDITS</b>	<b>77,289</b>	<b>454,850</b>	<b>5,640</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 361,432</b>	<b>\$ 645,453</b>	<b>\$ 6,354</b>

The accompanying notes are an integral part of the financial statements.

PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTALS (MEMORANDUM ONLY) PRIMARY GOVERNMENT	COMPONENT UNITS COLLEGES AND UNIVERSITIES
ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		
\$ 15,416	\$ 56,058	\$ 278,273	\$ -	\$ -	\$ 909,243	\$ 198,056
-	-	-	-	-	8,106	87,899
49,018	-	2,721,873	-	-	2,781,283	25,171
-	-	-	-	-	192,495	-
-	-	-	-	-	117,090	-
-	-	-	-	-	56,625	31,049
2,936	1,578	32,097	-	-	62,445	64,987
-	29,443	12,010	-	-	49,262	19,121
-	-	-	-	-	-	13,537
-	2,178	-	-	-	36,372	10,900
-	811	13	-	-	963	5,849
135	18,173	-	485,376	-	503,684	1,075,385
1,900	-	2,680	-	-	5,639	-
-	-	-	-	7,612	7,612	-
-	-	-	-	77,544	77,544	-
<u>\$ 69,405</u>	<u>\$ 108,241</u>	<u>\$ 3,046,946</u>	<u>\$ 485,376</u>	<u>\$ 85,156</u>	<u>\$ 4,808,363</u>	<u>\$ 1,531,954</u>
\$ 9,340	\$ 3,330	\$ 7,629	\$ -	\$ -	\$ 134,783	\$ 70,901
-	-	-	-	-	159,937	-
-	-	23,533	-	-	31,117	-
-	667	1,140	-	-	8,272	1,903
-	-	57,981	-	-	57,981	-
1,478	319	3,186	-	-	49,262	19,121
-	-	-	-	-	13,537	-
18,001	29,848	-	-	1,087	150,559	-
-	-	-	-	11,330	11,330	108,100
-	6,297	-	-	525	6,822	13,357
-	-	-	-	11,125	11,125	-
65	1,610	83	-	61,089	62,847	27,739
1,170	675	-	-	-	29,094	15,099
-	-	13,498	-	-	13,800	-
<u>30,054</u>	<u>42,746</u>	<u>107,050</u>	<u>-</u>	<u>85,156</u>	<u>740,466</u>	<u>256,220</u>
-	-	-	485,376	-	485,376	917,308
-	2,037	-	-	-	2,037	-
2,300	-	-	-	-	2,300	-
37,051	63,458	-	-	-	100,509	-
-	-	-	-	-	56,625	-
-	-	-	-	-	12,439	-
-	-	-	-	-	7,612	-
-	-	200,944	-	-	200,944	-
-	-	163,627	-	-	163,627	-
-	-	2,549,325	-	-	2,549,325	-
-	-	-	-	-	-	358,426
-	-	26,000	-	-	487,103	-
<u>39,351</u>	<u>65,495</u>	<u>2,939,896</u>	<u>485,376</u>	<u>-</u>	<u>4,067,897</u>	<u>1,275,734</u>
<u>\$ 69,405</u>	<u>\$ 108,241</u>	<u>\$ 3,046,946</u>	<u>\$ 485,376</u>	<u>\$ 85,156</u>	<u>\$ 4,808,363</u>	<u>\$ 1,531,954</u>

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## State of Nebraska

# COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1995

(Dollars in Thousands)

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	EXPENDABLE TRUST	
<b>REVENUES:</b>					
Taxes	\$ 1,646,554	\$ 394,438	\$ 5,559	\$ 39,156	\$ 2,085,707
Federal Grants and Contracts	189	1,112,079	551	-	1,112,819
Licenses, Fees and Permits	17,287	114,545	-	-	131,832
Charges for Services	6,870	62,138	-	2,923	71,931
Investment Income	14,751	18,975	365	12,851	46,942
Rents and Royalties	-	7,787	-	336	8,123
Other	8,244	31,219	15	2,876	42,354
<b>TOTAL REVENUES</b>	<b>1,693,895</b>	<b>1,741,181</b>	<b>6,490</b>	<b>58,142</b>	<b>3,499,708</b>
<b>EXPENDITURES:</b>					
Current:					
General Government	66,982	10,098	-	372	77,452
Conservation of Natural Resources	22,589	39,555	-	-	62,144
Culture - Recreation	4,358	12,951	-	-	17,309
Economic Development and Assistance	4,282	55,622	-	-	59,904
Education	596,313	143,773	-	746	740,832
Health and Social Services	477,842	763,199	-	4,482	1,245,523
Public Safety	99,741	66,626	-	-	166,367
Regulation of Business and Professions	3,549	42,959	-	-	46,508
Transportation	560	569,171	-	-	569,731
Unemployment Claims	-	-	-	42,958	42,958
Intergovernmental	90,287	-	-	-	90,287
Capital Projects	-	-	3,234	-	3,234
Debt Service:					
Principal	-	1,505	-	-	1,505
Interest	-	1,074	-	-	1,074
<b>TOTAL EXPENDITURES</b>	<b>1,366,503</b>	<b>1,706,533</b>	<b>3,234</b>	<b>48,558</b>	<b>3,124,828</b>
Excess of Revenues Over (Under) Expenditures	<b>327,392</b>	<b>34,648</b>	<b>3,256</b>	<b>9,584</b>	<b>374,880</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Operating Transfers In	14,339	43,159	6,519	-	64,017
Operating Transfers Out	(13,283)	(25,858)	(4,379)	(1,364)	(44,884)
Operating Transfers to Component Units	(328,694)	(6,614)	(5,406)	-	(340,714)
Proceeds from Other Financing Arrangements	-	3,605	-	-	3,605
Proceeds from Capital Leases	91	176	-	-	267
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(327,547)</b>	<b>14,468</b>	<b>(3,266)</b>	<b>(1,364)</b>	<b>(317,709)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<b>(155)</b>	<b>49,116</b>	<b>(10)</b>	<b>8,220</b>	<b>57,171</b>
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>77,444</b>	<b>405,734</b>	<b>5,650</b>	<b>202,532</b>	<b>691,360</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 77,289</b>	<b>\$ 454,850</b>	<b>\$ 5,640</b>	<b>\$ 210,752</b>	<b>\$ 748,531</b>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

# **COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) GENERAL, CASH, CONSTRUCTION, FEDERAL AND REVOLVING FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>			
Taxes	\$ 1,672,200	\$ 1,647,788	\$ (24,412)
Federal Grants and Contracts	195	195	-
Sales and Charges	24,046	24,046	-
Other	22,504	22,504	-
<b>TOTAL REVENUES</b>	<b>1,718,945</b>	<b>1,694,533</b>	<b>(24,412)</b>
<b>EXPENDITURES:</b>			
Current:			
General Government	70,458	66,124	4,334
Conservation of Natural Resources	28,728	22,781	5,947
Culture - Recreation	4,631	4,325	306
Economic Development and Assistance	4,696	4,187	509
Education	934,711	908,581	26,130
Health and Social Services	504,898	473,553	31,345
Public Safety	112,205	98,506	13,699
Regulation of Business and Professions	4,105	3,574	531
Transportation	822	560	262
Intergovernmental	97,587	94,485	3,102
Capital Projects	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>1,762,841</b>	<b>1,676,676</b>	<b>86,165</b>
Excess of Revenues Over (Under) Expenditures	(43,896)	17,857	61,753
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	43,738	43,738	-
Operating Transfers Out	(31,308)	(31,308)	-
Other	(1,279)	(1,279)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>11,151</b>	<b>11,151</b>	<b>-</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(32,745)	29,008	61,753
<b>FUND BALANCES, JULY 1</b>	<b>147,160</b>	<b>147,160</b>	<b>-</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 114,415</b>	<b>\$ 176,168</b>	<b>\$ 61,753</b>

The accompanying notes are an integral part of the financial statements.

CASH RESERVE AND CASH FUNDS			CONSTRUCTION FUNDS			FEDERAL FUNDS		
BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
\$ 55,264	\$ 55,264	\$ -	\$ 12,305	\$ 12,305	\$ -	\$ -	\$ -	\$ -
190,633	190,633	-	-	-	-	984,732	984,732	-
424,001	424,001	-	15	15	-	14,475	14,475	-
48,307	48,307	-	366	366	-	20,695	20,695	-
<u>718,205</u>	<u>718,205</u>	<u>-</u>	<u>12,686</u>	<u>12,686</u>	<u>-</u>	<u>1,019,902</u>	<u>1,019,902</u>	<u>-</u>
28,081	13,661	14,420	-	-	-	1,574	612	962
48,925	29,363	19,562	-	-	-	33,641	22,148	11,493
13,314	10,972	2,342	-	-	-	1,512	1,302	210
22,840	8,002	14,838	-	-	-	65,687	47,129	18,558
418,561	317,417	101,144	11,506	10,845	661	283,586	235,925	47,661
58,621	49,099	9,522	-	-	-	716,918	662,246	54,672
23,447	14,670	8,777	-	-	-	67,704	52,017	15,687
57,883	41,048	16,835	-	-	-	798	588	210
459,908	439,269	20,639	-	-	-	304	135	169
-	-	-	-	-	-	-	-	-
-	-	-	14,950	4,887	10,063	762	466	296
<u>1,131,580</u>	<u>923,501</u>	<u>208,079</u>	<u>26,456</u>	<u>15,732</u>	<u>10,724</u>	<u>1,172,486</u>	<u>1,022,568</u>	<u>149,918</u>
<u>(413,375)</u>	<u>(205,296)</u>	<u>208,079</u>	<u>(13,770)</u>	<u>(3,046)</u>	<u>10,724</u>	<u>(152,584)</u>	<u>(2,666)</u>	<u>149,918</u>
561,357	561,357	-	6,714	6,714	-	1,914	1,914	-
(318,447)	(318,447)	-	(3,670)	(3,670)	-	(1,925)	(1,925)	-
3,980	3,980	-	8	8	-	343	343	-
<u>246,890</u>	<u>246,890</u>	<u>-</u>	<u>3,052</u>	<u>3,052</u>	<u>-</u>	<u>332</u>	<u>332</u>	<u>-</u>
(166,485)	41,594	208,079	(10,718)	6	10,724	(152,252)	(2,334)	149,918
422,677	422,677	-	6,498	6,498	-	10,628	10,628	-
<u>\$ 256,192</u>	<u>\$ 464,271</u>	<u>\$ 208,079</u>	<u>\$ (4,220)</u>	<u>\$ 6,504</u>	<u>\$ 10,724</u>	<u>\$ (141,624)</u>	<u>\$ 8,294</u>	<u>\$ 149,918</u>

*This statement continued on next page.*

State of Nebraska

**COMBINED STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL (BUDGETARY BASIS)  
GENERAL, CASH, CONSTRUCTION, FEDERAL  
AND REVOLVING FUNDS (Continued)**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	REVOLVING FUNDS		
	BUDGET	ACTUAL	VARIANCE
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ -
Federal Grants and Contracts	253	253	-
Sales and Charges	277,346	277,346	-
Other	47,958	47,958	-
<b>TOTAL REVENUES</b>	<u>325,557</u>	<u>325,557</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	103,570	86,463	17,107
Conservation of Natural Resources	-	-	-
Culture - Recreation	-	-	-
Economic Development and Assistance	1,481	357	1,124
Education	265,171	230,908	34,263
Health and Social Services	-	-	-
Public Safety	8,496	6,411	2,085
Regulation of Business and Professions	-	-	-
Transportation	-	-	-
Intergovernmental	-	-	-
Capital Projects	-	-	-
<b>TOTAL EXPENDITURES</b>	<u>378,718</u>	<u>324,139</u>	<u>54,579</u>
Excess of Revenues Over (Under) Expenditures	<u>(53,161)</u>	<u>1,418</u>	<u>54,579</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	8,933	8,933	-
Operating Transfers Out	(6,710)	(6,710)	-
Other	1,089	1,089	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>3,312</u>	<u>3,312</u>	<u>-</u>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(49,849)</u>	<u>4,730</u>	<u>54,579</u>
<b>FUND BALANCES, JULY 1</b>	<u>66,907</u>	<u>66,907</u>	<u>-</u>
<b>FUND BALANCES, JUNE 30</b>	<u>\$ 17,058</u>	<u>\$ 71,637</u>	<u>\$ 54,579</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

# **COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS/FUND BALANCES – ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	PENSION TRUST	NONEXPENDABLE TRUST	
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 82,749	\$ 152,485	\$ -	\$ -	\$ 235,234
Contributions to Retirement Systems	-	-	177,089	-	177,089
Interest Income	-	-	107,474	8,528	116,002
Dividend Income	-	-	21,044	2,409	23,453
Gain (Loss) on Sale of Investments, net	-	-	67,273	5,637	72,910
Rents and Royalties	-	-	-	20,277	20,277
Other	-	631	767	401	1,799
<b>TOTAL OPERATING REVENUES</b>	<b>82,749</b>	<b>153,116</b>	<b>373,647</b>	<b>37,252</b>	<b>646,764</b>
<b>OPERATING EXPENSES:</b>					
Personal Services	1,005	17,795	870	1,161	20,831
Services and Supplies	15,178	58,612	7,096	1,138	82,024
Benefits	-	-	77,482	-	77,482
Refunds	-	-	6,255	-	6,255
Financial Assistance	-	-	-	26,761	26,761
Lottery Prizes	39,329	-	-	-	39,329
Insurance Claims	2,434	66,383	-	-	68,817
Depreciation	62	8,392	-	-	8,454
<b>TOTAL OPERATING EXPENSES</b>	<b>58,008</b>	<b>151,182</b>	<b>91,703</b>	<b>29,060</b>	<b>329,953</b>
<b>Operating Income (Loss)</b>	<b>24,741</b>	<b>1,934</b>	<b>281,944</b>	<b>8,192</b>	<b>316,811</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Interest Income	4,577	2,754	-	-	7,331
Gain (Loss) on Sale of Investments	61	-	-	-	61
Gain (Loss) on Sale of Fixed Assets	-	656	-	-	656
Other	-	(600)	-	-	(600)
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>4,638</b>	<b>2,810</b>	<b>-</b>	<b>-</b>	<b>7,448</b>
<b>Income Before Operating Transfers</b>	<b>29,379</b>	<b>4,744</b>	<b>281,944</b>	<b>8,192</b>	<b>324,259</b>
<b>OPERATING TRANSFERS:</b>					
Operating Transfers In	-	-	-	1,155	1,155
Operating Transfers Out	(19,755)	-	-	(533)	(20,288)
<b>TOTAL OPERATING TRANSFERS</b>	<b>(19,755)</b>	<b>-</b>	<b>-</b>	<b>622</b>	<b>(19,133)</b>
<b>Net Income</b>	<b>9,624</b>	<b>4,744</b>	<b>281,944</b>	<b>8,814</b>	<b>305,126</b>
<b>RETAINED EARNINGS/FUND BALANCES, JULY 1, AS RESTATED</b>	<b>29,727</b>	<b>58,714</b>	<b>2,267,381</b>	<b>171,005</b>	<b>2,526,827</b>
<b>RETAINED EARNINGS/FUND BALANCES, JUNE 30</b>	<b>\$ 39,351</b>	<b>\$ 63,458</b>	<b>\$ 2,549,325</b>	<b>\$ 179,819</b>	<b>\$ 2,831,953</b>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

# COMBINED STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES AND NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1995

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE TRUST	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash Received from Customers	\$ 81,597	\$ 5,642	\$ 20,976	\$ 108,215
Cash Received from Interfund Charges	-	144,935	-	144,935
Cash Paid to Employees	(995)	(17,754)	(1,161)	(19,910)
Cash Paid to Suppliers	(8,213)	(49,098)	(1,001)	(58,312)
Cash Paid for Financial Assistance	-	-	(26,761)	(26,761)
Cash Paid for Lottery Prizes	(38,102)	-	-	(38,102)
Cash Paid for Insurance Claims	(3,639)	(68,188)	-	(71,827)
Cash Paid for Interfund Services	(3,555)	(8,985)	(100)	(12,640)
NET CASH FLOWS FROM OPERATING ACTIVITIES	27,093	6,552	(8,047)	25,598
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Refund to Federal Government	-	(420)	-	(420)
Long-Term Deposits	(1,358)	-	-	(1,358)
Operating Transfers In	-	-	1,155	1,155
Operating Transfers Out	(19,308)	-	(559)	(19,867)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(20,666)	(420)	596	(20,490)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and Construction of Capital Assets	(64)	(4,817)	-	(4,881)
Proceeds from Sale of Fixed Assets	-	1,018	-	1,018
Principal Paid on Capital Leases	-	(4,004)	-	(4,004)
Interest Paid on Capital Leases	-	(378)	-	(378)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(64)	(8,181)	-	(8,245)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of Investment Securities	(18,833)	-	(80,764)	(99,597)
Proceeds from Sale of Investment Securities	15,460	-	78,270	93,730
Interest and Dividend Income	4,352	2,647	10,661	17,660
NET CASH FLOWS FROM INVESTING ACTIVITIES	979	2,647	8,167	11,793
NET INCREASE (DECREASE) IN CASH	7,342	598	716	8,656
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>8,074</u>	<u>55,460</u>	<u>14,481</u>	<u>78,015</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 15,416</u>	<u>\$ 56,058</u>	<u>\$ 15,197</u>	<u>\$ 86,671</u>

The accompanying notes are an integral part of the financial statements.

State of Nebraska

# **COMBINED STATEMENT OF CASH FLOWS** **ALL PROPRIETARY FUND TYPES** **AND NONEXPENDABLE TRUST FUNDS (Continued)**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPE	TOTALS (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	NONEXPENDABLE	
			TRUST	
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH</b>				
<b>FLows FROM OPERATING ACTIVITIES:</b>				
Operating Income (Loss)	\$ 24,741	\$ 1,934	\$ 8,192	\$ 34,867
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation	62	8,392	-	8,454
Interest Income	-	-	(8,528)	(8,528)
Dividend Income	-	-	(2,409)	(2,409)
Gain on Sale of Investments	-	-	(5,637)	(5,637)
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(192)	(21)	148	(65)
(Increase) Decrease in Due from Other Funds	-	(2,272)	-	(2,272)
(Increase) Decrease in Inventories	-	(10)	-	(10)
(Increase) Decrease in Prepaid Expenses	54	(205)	-	(151)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	4,572	333	18	4,923
Increase (Decrease) in Deposits	-	-	166	166
Increase (Decrease) in Due to Other Funds	21	353	3	377
Increase (Decrease) in Claims Payable	(1,205)	(1,805)	-	(3,010)
Increase (Decrease) in Deferred Revenue	(960)	(147)	-	(1,107)
Total Adjustments	2,352	4,618	(16,239)	(9,269)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 27,093</b>	<b>\$ 6,552</b>	<b>\$ (8,047)</b>	<b>\$ 25,598</b>

## **NONCASH TRANSACTIONS:**

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The following noncash transactions occurred during the year: Central Data Processing and Other Internal Service Funds acquired fixed assets through capital leases of \$2,270,000 and \$418,000, respectively, and Other Internal Service Fund received \$236,000 of services in exchange for investment business.

## **RECONCILIATION OF CASH AND CASH EQUIVALENTS:**

Total Trust and Agency	\$ 278,273
Less: Expendable Trust	198,628
Pension Trust	22,221
Agency	42,227
<b>NONEXPENDABLE TRUST</b>	<b>\$ 15,197</b>

State of Nebraska

# **COMBINED STATEMENT OF CHANGES IN FUND BALANCES DISCRETELY PRESENTED COMPONENT UNITS COLLEGE AND UNIVERSITY FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	CURRENT FUNDS		LOAN FUNDS
	UNRESTRICTED	RESTRICTED	
<b>REVENUES AND OTHER ADDITIONS:</b>			
Current Funds Revenues	\$ 529,533	\$ 635	\$ -
Federal Grants and Contracts -- Restricted	-	85,366	9
State Grants and Contracts -- Restricted	-	11,707	-
Local Grants and Contracts -- Restricted	-	5,665	228
Private Gifts, Grants and Contracts -- Restricted	-	58,716	8
Investment Income -- Restricted	-	2,483	115
Realized Gains (Losses) on Investments -- Restricted	-	-	20
Interest on Loans Receivable	-	-	687
U.S. Government Advances	-	-	826
Expended for Plant Facilities	-	-	-
Retirement of Indebtedness	-	-	-
Retirement of Capitalized Lease Obligations	-	-	-
Proceeds from Revenue Bonds, net of discount	-	-	-
Other Sources	-	-	61
<b>TOTAL REVENUES AND OTHER ADDITIONS</b>	<b>529,533</b>	<b>164,572</b>	<b>1,954</b>
<b>EXPENDITURES AND OTHER DEDUCTIONS:</b>			
Educational and General Expenditures	694,696	147,713	-
Auxiliary Operations Expenditures	104,049	-	-
Indirect Costs Recovered	-	11,558	188
Loan Cancellations, Write-offs, and Allowances	-	-	379
Administrative and Collection Costs	-	-	228
Expended for Plant Facilities	-	-	-
Increase in Capital Lease Obligations	-	-	-
Retirement of Indebtedness	-	-	-
Interest on Indebtedness	-	-	-
Retirement of Capital Lease Obligations	-	-	-
Disposals and Other Reductions of Plant Facilities	-	-	-
Bond and Lease Financial Expense	-	-	-
Issuance of Bonds Payable, net of discount	-	-	-
Other Deductions	-	-	18
<b>TOTAL EXPENDITURES AND OTHER DEDUCTIONS</b>	<b>798,745</b>	<b>159,271</b>	<b>813</b>
<b>TRANSFERS AMONG FUNDS:</b>			
Operating Transfers from Primary Government	329,550	-	-
Mandatory Transfers, net	(13,745)	-	228
Nonmandatory Transfers, net	(45,117)	(616)	(100)
<b>TOTAL TRANSFERS</b>	<b>270,688</b>	<b>(616)</b>	<b>128</b>
Net Increase (Decrease) for the Year	1,476	4,685	1,269
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>88,269</b>	<b>31,901</b>	<b>33,515</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 89,745</b>	<b>\$ 36,586</b>	<b>\$ 34,784</b>

The accompanying notes are an integral part of the financial statements.



ENDOWMENT FUNDS	PLANT FUNDS				TOTALS
	UNEXPENDED	RENEWALS AND REPLACEMENTS	RETIREMENT OF INDEBTEDNESS	INVESTMENT IN PLANT	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,168
-	6,031	-	-	-	91,406
-	-	22	-	-	11,729
-	-	-	-	-	5,893
537	4,061	850	-	53	64,225
224	526	133	2,094	-	5,575
852	-	-	-	-	872
-	-	-	-	-	687
-	-	-	-	-	826
-	-	-	-	75,098	75,098
-	-	-	-	14,325	14,325
-	-	-	-	3,371	3,371
-	4,890	-	-	-	4,890
-	14	319	104	-	498
<u>1,613</u>	<u>15,522</u>	<u>1,324</u>	<u>2,198</u>	<u>92,847</u>	<u>809,563</u>
-	-	-	-	-	842,409
-	-	-	-	-	104,049
-	-	-	-	-	11,746
-	-	-	-	-	379
82	177	-	56	-	543
-	40,328	9,288	98	-	49,714
-	-	-	-	1,270	1,270
-	-	-	14,325	-	14,325
-	-	-	5,352	-	5,352
-	-	-	113	-	113
-	-	-	-	11,684	11,684
-	-	-	17	-	17
-	-	-	-	4,890	4,890
-	-	-	375	-	393
<u>82</u>	<u>40,505</u>	<u>9,288</u>	<u>20,336</u>	<u>17,844</u>	<u>1,046,884</u>
-	3,796	820	6,548	-	340,714
-	135	-	13,382	-	-
(33)	7,697	42,631	(4,703)	241	-
(33)	11,628	43,451	15,227	241	340,714
1,498	(13,355)	35,487	(2,911)	75,244	103,393
<u>24,210</u>	<u>26,340</u>	<u>45,372</u>	<u>80,670</u>	<u>842,064</u>	<u>1,172,341</u>
<u>\$ 25,708</u>	<u>\$ 12,985</u>	<u>\$ 80,859</u>	<u>\$ 77,759</u>	<u>\$ 917,308</u>	<u>\$ 1,275,734</u>

State of Nebraska

# **COMBINED STATEMENT OF CURRENT FUNDS REVENUES, EXPENDITURES AND OTHER CHANGES DISCRETELY PRESENTED COMPONENT UNITS COLLEGE AND UNIVERSITY FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

(Dollars in Thousands)	CURRENT FUNDS		
	UNRESTRICTED	RESTRICTED	TOTALS
<b>REVENUES:</b>			
Educational and General:			
Tuition and Fees	\$ 119,768	\$ 585	\$ 120,353
Federal Appropriations	6,074	-	6,074
Federal Grants and Contracts	10,777	73,632	84,409
State Grants and Contracts	1,200	12,357	13,557
Local Grants and Contracts	54	5,762	5,816
Private Gifts, Grants and Contracts	343	52,735	53,078
Endowment Income	729	2,642	3,371
Sales and Services of Educational Activities	25,171	-	25,171
Additions to Trusteed Insurance Funds	42,367	-	42,367
Other	14,209	-	14,209
TOTAL EDUCATIONAL AND GENERAL	220,692	147,713	368,405
Sales and Services of Hospitals and Clinics	203,072	-	203,072
Sales and Services of Auxiliary Operations	105,769	-	105,769
TOTAL REVENUES	529,533	147,713	677,246
<b>EXPENDITURES AND MANDATORY TRANSFERS:</b>			
Educational and General:			
Instruction	209,735	29,836	239,571
Research	54,404	54,976	109,380
Public Services	30,202	26,633	56,835
Academic Support	49,893	3,986	53,879
Student Services	20,069	2,773	22,842
Institutional Support	52,736	1,133	53,869
Operation and Maintenance of Plant	43,974	240	44,214
Scholarships and Fellowships	16,755	25,930	42,685
Claims Paid From Trusteed Insurance Funds	42,179	-	42,179
TOTAL EDUCATIONAL AND GENERAL EXPENDITURES	519,947	145,507	665,454
Hospitals and Clinics	174,749	2,206	176,955
Auxiliary Operations	104,049	-	104,049
Mandatory Transfers, net	13,745	-	13,745
TOTAL EXPENDITURES AND MANDATORY TRANSFERS	812,490	147,713	960,203
<b>OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS):</b>			
Excess of Restricted Receipts Over			
Transfers to Revenue	-	5,301	5,301
Operating Transfers from Primary Government	329,550	-	329,550
Nonmandatory Transfers, net	(45,117)	(616)	(45,733)
TOTAL OTHER TRANSFERS AND ADDITIONS (DEDUCTIONS)	284,433	4,685	289,118
NET INCREASE (DECREASE) IN FUND BALANCE	\$ 1,476	\$ 4,685	\$ 6,161

The accompanying notes are an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended June 30, 1995

## 1. Summary of Significant Accounting Policies

**A. Basis of Presentation.** The accompanying general purpose financial statements of the State of Nebraska (the "State") have been prepared in conformance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The financial statements of the Colleges and Universities, which are included as discretely presented component units, are based on the American Institute of Certified Public Accountants (AICPA) College Audit Guide model.

The general purpose financial statements have been prepared primarily from accounts maintained by the State Accounting Administrator of the Department of Administrative Services. Additional data has been derived from audited financial statements of certain entities and from reports prescribed by the Accounting Administrator and prepared by various State agencies and departments based on independent or subsidiary accounting systems maintained by them.

**B. Reporting Entity.** In determining its financial reporting entity, the State has considered all potential component units for which it is financially accountable, and other organizations which are fiscally dependent on the State, or the significance of their relationship with the State are such that exclusion would be misleading or incomplete. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the State to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the State.

As required by generally accepted accounting principles, these financial statements present the State of Nebraska (the primary government) and its component units. The component units are included in the State's reporting entity because of the significance of their operational or financial relationships with the State. Complete financial statements of the individual component units that issue separate financial statements as noted below, can be obtained from their respective administrative offices.

**Blended Component Units.** The following component units are entities which are legally separate from the State, but are so intertwined with the State that they are, in substance, the same as the

State. They are reported as part of the State and blended into the appropriate funds.

**Nebraska Educational Telecommunications Facilities Corporation.** The Nebraska Educational Telecommunications Facilities Corporation (NETFC) is a nonprofit corporation formed by the State in 1991 to acquire access to a space satellite to be used by the Nebraska Educational Telecommunications Commission, a State agency. The eleven members of the Board of Commissioners of the Nebraska Educational Telecommunications Commission are appointed by the Governor and serve as the Board of Directors of the NETFC. Even though it is legally separate, the NETFC is reported as if it were part of the primary government because it provides services entirely to the primary government. It is blended into the Special Revenue Funds and the Account Groups.

**Nebraska State Building Corporation.** The Nebraska State Building Corporation (NSBC) is a nonprofit corporation formed by the State in 1987 to finance the acquisition of property to be used by the State. Even though it is legally separate, the NSBC is reported as if it were part of the primary government because it provides services almost entirely to the primary government. It is blended into the Special Revenue Funds and the Account Groups.

**Discretely Presented Component Units.** The following component units are entities which are legally separate from the State, but are financially accountable to the State, or their relationships with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The component units are reported in a separate column to emphasize that they are legally separate from the primary government and governed by separate boards.

**Nebraska State Colleges.** The Board of Trustees of the Nebraska State Colleges governs Chadron State College, Peru State College and Wayne State College. The Board of Trustees is also the Board of Directors of the Nebraska State Colleges Facilities Corporation, a nonprofit corporation incorporated in 1983 to finance the repair or construction of buildings or the acquisition of equipment for use by the State Colleges. The Board of Trustees consists of the Commissioner of Education and six members appointed by the Governor. Audit reports have been issued under separate cover.

**University of Nebraska.** The University of Nebraska consists of the following campuses:

University of Nebraska – Lincoln, University of Nebraska at Omaha, University of Nebraska at Kearney, and University of Nebraska Medical Center. The University of Nebraska is governed by an elected eight-member Board of Regents. The Board of Regents is also the Board of Directors of the University of Nebraska Facilities Corporation, a nonprofit corporation organized by the Board of Regents in 1930 to finance buildings and hold them in trust for the University of Nebraska. Audit reports have been issued under separate cover.

The colleges and universities are funded through State appropriations, tuition, federal grants, and private donations and grants. Because the colleges and universities are similar in nature and function, they have been combined and presented as a single component unit.

**Related Organizations.** The State's officials are responsible for appointing members of boards of other organizations, but the State's accountability for these organizations does not extend beyond making these appointments. The Governor appoints the boards of the following organizations: Nebraska Educational Facilities Authority, Nebraska Investment Finance Authority, Research and Development Authority, and Wyuka Cemetery.

**C. Fund Structure.** The State's accounts are maintained in accordance with the principles of fund accounting to insure compliance with limitations and restrictions placed on the use of resources available to it. Under fund accounting, individual funds are established for the purpose of carrying on activities or attaining objectives in accordance with specific regulations, restrictions, or limitations. Each individual fund is a self-balancing set of accounts recording cash and other financial resources, together with liabilities and residual equities or balances, and changes therein. In the general purpose financial statements, however, funds that have similar characteristics have been combined into generic fund types as required by GAAP. These generic fund types differ from the State's budgetary funds which are described in Note 2. A brief description of these fund types and account groups used by the State and the categories into which they are grouped follows:

**Governmental Funds.** Transactions related to resources received and used for those services traditionally provided by a state government. Governmental funds include:

**General Fund.** Reflects transactions related to resources received and used for those services traditionally provided by a state government, which are not accounted for in any other fund.

**Special Revenue Funds.** Reflect transactions related to resources received and used for restricted or specific purposes.

**Capital Projects Fund.** Reflects transactions related to resources received and used for the acquisition, construction, or improvement of permanent facilities.

**Proprietary Funds.** Transactions related to activities similar to those found in the private sector. Proprietary funds include:

**Enterprise Funds.** Reflect transactions used to account for those operations that are financed and operated in a manner similar to private business or where the governing body has decided that the determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

**Internal Service Funds.** Reflect transactions used to account for centrally operated services and centrally procured commodities which are provided to other State departments and agencies and other governmental units of the State. The services and commodities are charged to recipient agencies on a cost reimbursement basis.

**Fiduciary Funds.** Transactions related to assets held by the State in a trust or agency capacity. The State's fiduciary funds include Pension Trust, Nonexpendable Trust, Expendable Trust, and Agency funds as follows:

**Pension Trust Funds.** Reflect the transactions, assets, liabilities, and fund equities of State retirement systems.

**Nonexpendable Trust Funds.** Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal must be maintained intact and whose income is used to fund the activity.

**Expendable Trust Funds.** Reflect the transactions, assets, liabilities, and fund equity of trusts whose principal and income may be used to fund the activity.

**Agency Funds.** Reflect amounts held by the State for others.

**Account Groups.** The Account Groups are maintained to account for general long-term debt and fixed assets not accounted for in other funds of the State.

**General Fixed Assets Account Group.** Used to account for general fixed assets of the State

exclusive of assets held by the proprietary funds and component units.

**General Long-Term Debt Account Group.**

Used to account for long-term obligations of the State including bonds payable, obligations under lease purchase agreements, claims, obligations under other financing arrangements, and compensated absences exclusive of liabilities of the proprietary funds, certain trust funds, and component units.

**College and University Funds.** The Component Units include College and University Funds which are legally separate from the State but are considered part of the reporting entity. The College and University Funds reflect transactions related to resources received and used in the operation of the State's institutions of higher education and related medical teaching hospital. The College and University Funds include:

Current Funds which account for unrestricted funds over which the governing boards retain full control in achieving the institutions' purposes and restricted funds which may be utilized in accordance with externally restricted purposes.

Loan, Endowment, and Agency funds which account for assets in which the colleges and universities act in a fiduciary capacity.

Plant Funds which account for institutional property acquisition, renewal, replacement, and debt service.

**D. Basis of Accounting.** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds, nonexpendable trust funds, and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds, and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Major revenues that are determined to be susceptible to accrual include taxpayer-assessed tax revenues, unemployment compensation taxes, federal grants-in-aid, charges for services, and investment income. All other taxes, are recognized when received. Federal grants collected on a reimbursement basis are recognized as revenue when reimbursable expenditures are made. Revenues collected on an advance basis, including certain federal grant revenue, to which the State does not yet have legal entitlement, are not recognized as revenue until the related commitment arises. Generally, the State considers a one-year availability period for revenue recognition.

Expenditures are recorded when the related fund liability is incurred. Exceptions to the modified accrual expenditure recognition criteria include principal and interest on general long-term indebtedness which are recognized when due and compensated absences which are recognized when paid.

The accrual basis of accounting is utilized by proprietary fund types, pension trust funds, and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Lottery Fund instant ticket revenue is recognized when tickets are sold to the retailer and on-line revenue is recognized after the drawing is completed for the respective wagers. Lottery Fund prize expense is recognized in the same period that ticket revenue is recognized based on the predetermined prize structure for each game.

In reporting the financial activity of its proprietary funds, the State applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

The College and University Funds are reported on the accrual basis of accounting except that depreciation related to plant fund assets is not recorded and revenues and expenditures of an

academic term encompassing more than one fiscal year are reported solely in the fiscal year in which the program is predominately conducted.

**E. Cash and Cash Equivalents.** In addition to bank accounts and petty cash, this classification includes all short-term investments such as certificates of deposit, repurchase agreements, and U.S. treasury bills having original maturities (remaining time to maturity at acquisition) of three months or less. These investments are stated at cost, which at June 30, 1995, approximated market. Collateral, as required by law, is pledged by banks to guarantee State funds held in time and demand deposits.

**F. Cash on Deposit with Fiscal Agents.** Assets held by the trustees for the Nebraska Educational Telecommunications Facilities Corporation, the Nebraska State Building Corporation, the State Revolving Fund, and the Master Lease Purchase Program are reflected as cash on deposit with fiscal agents. Proceeds of College and University Revenue Bond issuances held in interest bearing accounts, awaiting disbursement, are also recorded as cash on deposit with fiscal agents in the Component Units column.

**G. Investments.** Investments as reported on the balance sheet include long-term investments. These investments may be restricted by law or other legal instrument. All investments are stated at cost, with the exception of those held by the State and County Employee's Pension Trust Funds and the Deferred Compensation Plan. Investments of the State and County Employee's Pension Trust Funds and the Deferred Compensation Plan are stated at market value.

**H. Receivables.** Receivables are stated net of estimated allowances for uncollectible amounts, which are determined based upon past collection experience and current economic conditions.

**I. Inventories.** Inventories of materials and supplies are determined by both physical counts and through perpetual inventory systems. Governmental Fund inventories are recorded as expenditures when purchased, with the exception of the Highway and Health and Social Services, Special Revenue Funds. The Highway Fund and the Health and Social Services Fund inventories are valued at average cost. Proprietary Funds' and College and University Funds' valuation method is primarily at the lower of cost (first-in, first-out) or market.

Food stamps and commodities on hand at June 30, 1995 are reflected as inventories, offset by a like amount of deferred revenue, in the Federal Special Revenue Fund. Food stamp inventory is reported at face value and commodities are reported at fair values established by the federal government at the

date received. The amounts of food stamps and commodities distributed during the year, which approximated \$78,196,000 and \$9,792,000, respectively, are reflected as revenues and expenditures of the Special Revenue Funds.

**J. Fixed Assets.** General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. All fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received.

At June 30, 1995, buildings were valued at \$258,596,000. Of this total, \$207,637,000 were valued at estimated historical cost and \$50,959,000 were valued at actual historical cost. The estimate of historical cost is based on appraised values as of October 31, 1986, indexed to date of acquisition. All buildings acquired after October 31, 1986, have been valued at historical cost. Land with an estimated fair market value at the time of donation of \$7,179,000 is 21 percent of the total land value of \$34,082,000.

Fixed assets do not include infrastructure such as highways, bridges and lighting systems, as these assets are immovable and of value only to the government. Art objects, collections of historical material and other artifacts, although considered valuable are not assigned a value for financial statement purposes. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Generally, equipment which has a cost in excess of \$1,000 at the date of acquisition and has an expected useful life of two or more years is capitalized. Substantially all initial building costs, land and land improvements costing in excess of \$50,000 are capitalized. Building improvements and renovations in excess of \$50,000 are capitalized if a substantial portion of the life of the asset has expired and if the useful life of the asset has been extended as a result of the renovation or improvement.

Assets in the General Fixed Assets Account Group and the College and University Funds are not depreciated. Depreciation of machinery, equipment and buildings in the proprietary fund types is recorded using the straight-line method.

In proprietary funds the following estimated useful lives are used to compute depreciation:

Buildings	40 years
Equipment	3-10 years

**K. Compensated Employee Absences.** All permanent employees earn sick and annual leave. Temporary and intermittent employees and Board and Commission members are not eligible for paid leave.

State employees accrue vested annual leave at a variable rate based on years of service. Generally, accrued annual leave cannot exceed 35 days at the end of a calendar year. It is the State's policy to liquidate unpaid annual leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize annual leave when it is paid. A long-term liability of \$35.3 million for the accumulated annual leave in governmental and expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 1995.

Employees accrue sick leave at a variable rate based on years of service. In general, accrued sick leave cannot exceed 180 days. Sick leave is not vested except upon death or upon reaching the retirement eligibility age of 55, at which time, the State is liable for 25 percent of the employee's accumulated sick leave. It is the State's policy to liquidate vested sick leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize sick leave when it is paid. A long-term liability of \$24.1 million for accumulated sick leave expected to be paid as termination payments in governmental and expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 1995.

Some State agencies permit employees to accumulate compensatory leave rather than paying overtime. It is the State's policy to liquidate compensatory leave at June 30 from future resources rather than currently available expendable resources. Accordingly, governmental and expendable trust funds recognize compensatory leave when it is paid. A long-term liability of \$1.7 million for the vested portion of the accumulated compensatory leave in governmental and expendable trust funds has been recorded in the General Long-Term Debt Account Group as of June 30, 1995.

All proprietary and similar trust funds recognize the expense and accrued liability when vacation and compensatory leave is earned or when sick leave is expected to be paid as termination payments.

The College and University Funds recognize the expense and accrued liability when sick and vacation leave is earned.

**L. Fund Equity Reserves.** Reservations of fund balance are established to identify the existence of assets that are not available for subsequent year

appropriations (i.e., prepaid items and inventories) or have been legally segregated for specific purposes. Assets of legally restricted budgetary funds are an example of this type of reservation. Reservations of fund balance are also established for assets which are not current in nature, such as long-term loans receivable. Reservations of retained earnings are established for assets that are not available to fund current operations.

**M. Interfund Transactions.** Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

**N. Totals - Memorandum Only.** The "Totals - Memorandum Only" column represents an aggregation of individual account balances. The column is presented for overview informational purposes and does not present consolidated financial information since interfund balances and transactions have not been eliminated.

## 2. Budgetary Process

The State's biennial budget cycle ends on June 30 of the odd-numbered years. By September 15, prior to a biennium, all State agencies, including colleges and universities, must submit their budget requests for the biennium beginning the following July 1. The requests are submitted on forms that show estimated funding requirements by programs, subprograms, and activities. The Executive Branch reviews the requests, establishes priorities, and balances the budget within the estimated resources available during the upcoming biennium. The Governor's budget bill is submitted to the Legislature in January. The Legislature considers revisions to the bill and submits the revised appropriation bill to the Governor for signature. The Governor can either: a) approve the appropriation bill in its entirety, b) veto the bill, or c) line item veto certain sections of the bill. Any vetoed bill or line item can be overridden by a three-fifths majority of the Legislature.

The appropriations that are approved will generally set spending limits for a particular program within an agency. Within the agency/program, the Legislature may provide funding from one to five budgetary fund types. Thus, the legal level of control is fund type within program within agency. The central accounting system

maintains this control. A separate publication titled "Annual Budgetary Report" shows the detail of this legal level of control. This publication is available from the Department of Administrative Services Accounting Division.

Appropriations are usually made for each year of the biennium with unexpended balances being reappropriated at the end of the first year of the biennium. For most appropriations, balances lapse at the end of the biennium. During fiscal year 1995, the Legislature passed a deficit appropriation bill which increased the allowable expenditure level in several of the programs.

The budgetary fund types used by the State differ from the generic fund types presented in the general purpose financial statements. The budgetary funds, which are listed below, are generally segregated by revenue sources. Of these seven fund types, only the first five are subject to the appropriation controls of the budget.

**General Fund.** To account for activities funded by general tax dollars, primarily sales and income taxes.

**Cash Reserve and Cash Funds.** To account for proceeds from a special sales tax to be used as a cash reserve for the General Fund and to account for the financing of goods or services provided by a State agency to individuals or entities outside State government on a cost-reimbursement basis and to account for the revenues and expenditures related to highway construction.

**Construction Funds.** To account for financial resources to be used for the acquisition or construction of major capital facilities.

**Federal Funds.** To account for the financial resources related to the receipt and disbursement of funds generated from the federal government as a result of grants and contracts except for federal highway monies accounted for in the Cash Funds.

**Revolving Funds.** To account for the financing of goods or services provided by one State agency to another State agency on a cost-reimbursement basis.

**Trust Funds.** To account for assets held in a trustee capacity.

**Distributive Funds.** To account for assets held as an agent for individuals, private organizations, and other governments and/or other funds.

The accompanying general purpose financial statements were prepared by converting budgetary fund data into the fund format required by GAAP. The Cash Basis of accounting is used for all budgetary fund types.

All State budgetary expenditures for the general, cash, construction, federal, and revolving fund types are made pursuant to the appropriations in the annual budget, as amended from time to time by budget amendments. State agencies may amend the appropriations between major object of expenditure accounts except that the Legislature's approval is required to exceed the personal service limitations contained in the appropriations bill. Increases in total general, cash, construction, and revolving fund appropriations must also be approved by the Legislature as a deficit appropriations bill. Appropriations for programs funded in whole or in part from federal funds may be increased to the extent that revenues of federal funds exceed the original budget estimate.

The State utilizes encumbrance accounting to account for purchase orders, contracts, and other expenditure commitments. However, State law does not require that all encumbrances be recorded in the State's centralized accounting system and as a result, the encumbrances that were recorded in the accounting system have not been included in the accompanying general purpose financial statements except for the impact as described below.

Under State budgetary procedures, appropriation balances related to outstanding encumbrances at the end of a biennium are lapsed and reappropriated in the first year of the next biennium. The effect of the State's current procedures is to include in the budget columns of the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual the current year's appropriations plus the amounts reappropriated for encumbrances outstanding at the end of the prior biennium. This procedure indicates the State's intention to honor the encumbrances at the end of a biennium. The expenditures columns of the Statement include cash payments related to the appropriated and reappropriated amounts. For the year ended June 30, 1995, there were no budgetary funds in which expenditures exceeded appropriations.

Revenues are not budgeted for any funds except for the General Fund tax revenues. For financial reporting purposes, the budget columns for revenues on the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual are reflected as being equal to actual revenues for all other revenue categories.

There are no annual budgets prepared for Trust and Distributive Funds and as a result, no budgetary comparisons are presented.

A reconciliation of the budgetary versus GAAP fund equities as of June 30, 1995, follows:



## GENERAL PURPOSE FINANCIAL STATEMENT FUND EQUITIES

(Dollars in Thousands)	BUDGETARY FUND EQUITIES TOTAL	PRIMARY GOVERNMENT						COMPONENT UNITS
		GENERAL	SPECIAL REVENUE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE	TRUST AND AGENCY	COLLEGES AND UNIVERSITIES
PERSPECTIVE DIFFERENCES:								
Classification of budgetary fund equities into Financial Statement fund structure:								
General	\$ 176,168	\$ 176,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash	464,271	20,482	321,223	66	756	583	529	120,632
Construction	6,504	-	366	5,636	-	-	-	502
Federal	8,294	-	8,645	(13)	-	-	-	(338)
Revolving	71,637	-	2,025	-	-	25,114	-	44,498
Budgetary fund equities classified into general purpose financial statement fund structure	\$ 726,874	196,650	332,259	5,689	756	25,697	529	165,294
BASIS DIFFERENCES:								
Record amount due Colleges and Universities		(13,537)	-	-	-	-	-	13,537
Record fixed assets		-	-	-	135	18,173	-	1,075,385
Record taxes receivable		155,723	36,772	-	-	-	-	-
Record tax refund liability		(156,214)	(3,723)	-	-	-	-	-
Record amount due pensions		(11,684)	-	-	-	-	-	-
Record Medicaid liability		(44,494)	-	-	-	-	-	-
Record capitalized lease obligations		-	-	-	-	(6,297)	-	(13,357)
Record workers' compensation liability		-	-	-	-	(25,732)	-	-
Record other net accrued receivables, liabilities and inventories		(49,155)	66,371	(49)	-	23,618	-	28,008
Record deferred federal revenue		-	(24,606)	-	-	-	-	-
Other		-	1,608	-	-	-	-	-
ENTITY DIFFERENCES:								
Record funds not budgeted		-	46,169	-	38,460	30,036	2,738,423	6,867
Record entities not included in the accounting system		-	-	-	-	-	200,944	-
GAAP fund equities, June 30, 1995		\$ 77,289	\$ 454,850	\$ 5,640	\$ 39,351	\$ 65,495	\$ 2,939,896	\$ 1,275,734

## 3. Cash and Cash Equivalents and Investments

**Cash and Cash Equivalents.** "Cash and Cash Equivalents" as reported on the combined balance sheet are under the control of the State Treasurer or other administrative bodies as determined by law. All cash deposited with the State Treasurer is initially maintained by the Treasurer in a pooled cash account. On a daily basis, the State Treasurer invests cash not needed for current operations with the State's Investment Council which maintains a short-term investment pool for such investments. All interest earned on these investments is allocated to the General Fund except allocations required by law to be made to other funds.

**Investments.** "Investments" as reported on the combined balance sheet include long-term investments.

These investments may be restricted by law or other legal instruments. "Investments" are under the control of the State Treasurer or other administrative bodies as determined by law.

## 4. Deposits and Investments Portfolio

Listed below is a summary of the deposit and investment portfolio that comprise the Cash and Cash Equivalents and Investments on the June 30, 1995, combined balance sheet. All securities purchased or held must either be in the custody of the State or deposited with an agent in the State's name.

**Deposits.** At June 30, 1995, the carrying amounts of the State's deposits for the Primary Government were \$4,818,000 and the bank balances were \$83,667,000.

## State of Nebraska

All bank balances were covered by federal depository insurance or by collateral held by the State's agent in the State's name.

State Statutes require that the aggregate amount of collateral securities deposited by a bank with the State Treasurer shall at all times equal ten percent more than the amount of public funds deposited in that bank, less the amount insured by the Federal Deposit Insurance Corporation. During the year the amount of public funds deposited with a bank occasionally exceeded the amount of collateral required by statute. The State Treasurer had compensating balance agreements with various banks totaling \$9,760,000 at June 30, 1995.

At June 30, 1995, the carrying amounts of the Component Units' deposits were \$1,614,000 and the bank balances were \$1,606,000. Of the bank balances, \$1,385,000 was covered by federal depository insurance or by collateral held by the Component Units' agent in the Component Units' name and \$229,000 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the Component Units' name.

**Investments.** State Statute Section 72-1246, R.R.S. 1943, authorizes the State Investment Officer to invest the State's funds in accordance with the prudent person rule. The State Investment Officer may not buy on

margin, buy call options, or buy put options. Certain State entities are also allowed by statute to invest in real estate and other investments. State Statute Section 72-1247, R.R.S. 1943, authorizes the State Investment Officer to participate in securities lending. Loaned securities are to be collateralized with cash or United States government or government agency obligations at least equal in value to the market value of the loaned securities. The State contracts with lending agents to operate securities lending agreements. At June 30, 1995, securities with a market value of \$227,231,000 were on loan through the lending agent. The market value of the collateral pledged for securities loaned was \$234,362,000 at June 30, 1995. The collateral was held by the lending agent.

The State's investments are categorized to give an indication of the level of risk assumed by the State at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the State or its agent in the State's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the State's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the State's name.

### INVESTMENTS - PRIMARY GOVERNMENT AT JUNE 30, 1995

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
Repurchase Agreements	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ 10,000
U.S. Government Securities	928,455	1,981	261,749	1,192,185	1,246,351
Corporate Bonds	96,434	-	-	96,434	100,143
Equity Securities	1,018,705	-	-	1,018,705	1,248,137
Commercial Paper	307,390	-	-	307,390	307,390
Collateral Mortgage Loans	10,000	-	-	10,000	10,000
Municipal Bonds	2,298	-	-	2,298	2,416
	<u>\$ 2,363,282</u>	<u>\$ 1,981</u>	<u>\$ 271,749</u>	2,637,012	2,924,437
Pooled Investment Contracts				588,680	588,680
Investment in U.S. Treasury					
Investment Pool				188,144	188,144
Mutual Funds				473,420	482,375
Real Estate				3,000	334,137
Less: Component Unit Investment					
in State Investment Pool				(196,442)	(196,442)
Total Investments				<u>\$ 3,693,814</u>	<u>\$ 4,321,331</u>

# State of Nebraska

The Pension Trust Funds own approximately 69% of the investments that are in Category 1.

Included in Real Estate is approximately 1.5 million acres of land owned by the Permanent School Fund which was donated to the State by the federal government in the mid 1800's. This land is carried at its estimated fair market value at the date of donation. The market value of the land at June 30, 1995, was determined by using the average sales prices for similar type of land that sold in 1995.

A reconciliation of deposits and investments for the Primary Government to the Combined Balance Sheet at June 30, 1995, is as follows (dollars in thousands):

## Disclosure Regarding Deposits and Investments:

Total Investments	\$ 3,693,814
Carrying amount of Deposits	4,818
Total	<u>\$ 3,698,632</u>

## Combined Balance Sheet:

Cash and Cash Equivalents	\$ 909,243
Cash on Deposit with Fiscal Agents	8,106
Investments, at Cost	2,781,283
Total	<u>\$ 3,698,632</u>

## INVESTMENTS – COMPONENT UNITS AT JUNE 30, 1995

(Dollars in Thousands)	CATEGORY			CARRYING AMOUNT	MARKET VALUE
	1	2	3		
U.S. Government Securities	\$ -	\$ -	\$ 71,518	\$ 71,518	\$ 72,344
Corporate Bonds	-	-	4,856	4,856	4,995
Equity Securities	-	-	12,925	12,925	19,799
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,299</u>	89,299	97,138
Mutual Funds				23,371	23,373
Real Estate				400	400
Investment in State Investment Pool				196,442	196,442
Total Investments				<u>\$ 309,512</u>	<u>\$ 317,353</u>

A reconciliation of deposits and investments for the Component Units to the Combined Balance Sheet at June 30, 1995, is as follows (dollars in thousands):

## Disclosure Regarding Deposits and Investments:

Total Investments	\$ 309,512
Carrying amount of Deposits	1,614
Total	<u>\$ 311,126</u>

## Combined Balance Sheet:

Cash and Cash Equivalents	\$ 198,056
Cash on Deposit with Fiscal Agents	87,899
Investments, at Cost	25,171
Total	<u>\$ 311,126</u>

## 5. Due To/From Other Funds

Due To/From Other Funds at June 30, 1995, consists of the following (dollars in thousands):

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
General	\$ 3,000	\$ 35,863
Special Revenue:		
Licensing and Regulation	47	1,024
Highway Fund	336	1,160
Economic Development	197	140
Airport Development	84	5
Game and Parks	376	89
Energy Conservation	104	8
Federal Fund	630	2,752
Health and Social Services	1,081	301
Other Special Revenue	1,696	2,687
	<u>4,551</u>	<u>8,166</u>
Capital Projects	<u>258</u>	<u>250</u>
Enterprise:		
Lottery	-	1,469
Excess Liability	-	9
	<u>-</u>	<u>1,478</u>
Internal Service:		
Correctional Services	873	9
Buildings and Grounds	88	145
General Services	1,361	8
Communications	1,091	25
Central Data Processing	4,662	59
Transportation Services	227	49
Risk Management	20,804	19
Other Internal Service	337	5
	<u>29,443</u>	<u>319</u>
Nonexpendable Trust:		
Aeronautics Trust	-	59
Permanent School Fund	-	5
	<u>-</u>	<u>64</u>
Pension Trust:		
School Retirement	10,818	38
Judges Retirement	704	-
State Patrol Retirement	488	-
	<u>12,010</u>	<u>38</u>
Agency:		
Payroll Withholding Fund	-	3,084
TOTALS	<u>\$ 49,262</u>	<u>\$ 49,262</u>

## 6. Fixed Assets

The general fixed assets of the State are those fixed assets used in performance of general governmental functions. They do not include fixed assets of proprietary funds and the component units.

The following is a summary of changes in the general fixed assets account group during the fiscal year (dollars in thousands):

	BALANCE JULY 1, 1994	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1995
Land	\$ 30,943	\$ 4,003	\$ 864	\$ 34,082
Buildings	258,908	1,423	1,735	258,596
Equipment	178,769	18,274	10,153	186,890
Construction in Progress	4,237	2,553	982	5,808
	<u>\$ 472,857</u>	<u>\$ 26,253</u>	<u>\$ 13,734</u>	<u>\$ 485,376</u>

The following is a summary of proprietary fund-type fixed assets at June 30, 1995 (dollars in thousands):

	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS
Machinery and equipment	\$ 246	\$ 63,831
Buildings	-	1,775
Total	246	65,606
Less: accumulated depreciation	(111)	(47,433)
Net fixed assets	<u>\$ 135</u>	<u>\$ 18,173</u>

The following is a summary of component unit fixed assets at June 30, 1995 (dollars in thousands):

Land and Land Improvements	\$ 84,264
Buildings	626,596
Equipment and Library Books	342,201
Construction in Progress	22,324
	<u>\$ 1,075,385</u>

## 7. Bonds Payable

Article XIII of the State's Constitution prohibits the State from incurring debt in excess of one hundred thousand dollars. However, there is a provision in the Constitution that permits the issuance of revenue bonds for: (1) construction of highways; and (2) construction of water conservation and management structures. At June 30, 1995, there was no outstanding debt for either of these purposes.

The State created the Nebraska Educational Telecommunications Facilities Corporation (NETFC) for the purpose of acquiring access to a space satellite. In May 1991, the NETFC issued \$7,180,000 of lease revenue bonds to acquire access for eight years. The NETFC is a separate legal entity and not an operating department of the State. It is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1995, are collateralized by the revenues of the NETFC, which consist primarily of the rentals paid by the State, and satellite failure insurance in the event of the loss of uplink and downlink capabilities. The financial activity of the NETFC has been blended into the Special Revenue Funds. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

## State of Nebraska

The State created the Nebraska State Building Corporation (NSBC) to finance the purchase of a building used by the State for its data processing and general services operations. In September 1987, the NSBC issued \$7,700,000 of lease revenue bonds to finance the purchase of the building. In June 1992, the NSBC issued \$7,645,000 of lease revenue bonds to refund the 1987 bonds. The NSBC is a separate legal entity and not an operating department of the State. It is not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1995, are collateralized by the revenues of the NSBC which consist primarily of building rental paid by the State. The financial activity of the NSBC has been blended into the Special Revenue Funds. Outstanding bonds payable are reported in the General Long-Term Debt Account Group.

The Colleges and Universities issue bonds for various purposes including student housing, parking facilities and special event centers. Net revenues from student housing and dining facilities, special student fees and parking facilities fees are pledged to secure the appropriate issues. Outstanding bonds payable are reported in the College and University Funds.

All outstanding bond issues of the University of Nebraska Facilities Corporation and the Nebraska State College Facilities Corporation are general obligations of these corporations. They are separate legal entities that are not operating departments of the State and they are not subject to State constitutional restrictions on the incurrence of debt, which may apply to the State itself. The obligations outstanding at June 30, 1995, are collateralized by a special allocation of a portion of the State cigarette tax. Outstanding bonds payable are reported in the College and University Funds.

(Dollars in Thousands)

	DATES ISSUED	MATURITY DATES	INTEREST RATES	BALANCE JUNE 30, 1995
<b>BONDS PAYABLE</b>				
<b>PRIMARY GOVERNMENT</b>				
Nebraska Educational Telecommunications Facilities Corporation Issue	1991	1991-1999	5.85%-6.50%	\$ 4,495
Nebraska State Building Corporation Issue	1992	1992-2009	4.60%-6.50%	6,835
Primary Government Total				<u>\$ 11,330</u>
<b>COMPONENT UNITS</b>				
Colleges and Universities Revenue Bonds	1964-1995	1964-2015	3.00%-7.38%	\$ 51,180
University of Nebraska Facilities Corporation Issues	1992-1993	1992-2011	3.30%-5.45%	52,405
Nebraska State Colleges Facilities Corporation Issues	1992-1993	1992-1997	4.00%-5.00%	4,515
Component Units Total				<u>\$ 108,100</u>

### PRIMARY GOVERNMENT DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1996	\$ 1,135	\$ 675	\$ 1,810
1997	1,205	610	1,815
1998	1,275	538	1,813
1999	2,165	459	2,624
2000	365	339	704
Thereafter	5,185	1,862	7,047
Total	<u>\$ 11,330</u>	<u>\$ 4,483</u>	<u>\$ 15,813</u>

### COMPONENT UNITS DEBT SERVICE REQUIREMENTS TO MATURITY

(Dollars in Thousands)

YEAR	PRINCIPAL	INTEREST	TOTAL
1996	\$ 11,355	\$ 5,017	\$ 16,372
1997	9,425	4,634	14,059
1998	10,050	4,208	14,258
1999	6,535	3,839	10,374
2000	6,040	3,556	9,596
Thereafter	64,695	22,354	87,049
Total	<u>\$ 108,100</u>	<u>\$ 43,608</u>	<u>\$ 151,708</u>

Changes in Primary Government bonds payable for fiscal year 1995 are summarized below (dollars in thousands):

Balance at July 1, 1994	\$ 12,410
Bonds Retired	(1,080)
Balance at June 30, 1995	<u>\$ 11,330</u>

Changes in bonds payable for Component Units for fiscal year 1995 are summarized below (dollars in thousands):

Balance at July 1, 1994	\$ 117,535
New Bonds Issued:	
Colleges and Universities	4,890
Bonds Retired	(14,325)
Balance at June 30, 1995	<u>\$ 108,100</u>

### Bond Defeasances - Component Units

In 1993, the University of Nebraska Facilities Corporation issued \$45,570,000 of Refunding Bonds, dated July 15, 1993, to defease outstanding 1990 bonds. In conjunction with the defeasance, the 1990 bonds maturing on or after January 1, 2001, are scheduled to be called for redemption on July 1, 2000, at a price of 101% of the principal amount plus accrued interest. As a

result, the 1990 bonds are considered defeased and the liability for these bonds has been removed from bonds payable. At June 30, 1995, \$37,658,000 of 1990 bonds outstanding are considered defeased.

On April 1, 1994, Chadron State College issued \$5,660,000 of Student Fees and Facilities Refunding Bonds. The 1994 bonds were issued for the purpose of refunding various bonds outstanding. As a result, the liability for these bonds has been removed from bonds payable. At June 30, 1995, \$4,275,000 of bonds outstanding are considered defeased.

## 8. Lease Commitments

**Capital and Operating Leases.** The State leases land, office facilities, equipment, and other assets under both capital and operating leases. Although the lease terms may vary, all leases are subject to annual appropriation by the Legislature.

The present value of future minimum capital lease payments and minimum annual lease payments for operating and capital leases as of June 30, 1995, are as follows (dollars in thousands):

YEAR	CAPITAL LEASES			
	PRIMARY GOVERNMENT		COMPONENT UNITS	
	GENERAL		COLLEGE AND UNIVERSITY FUNDS	PRIMARY GOVERNMENT OPERATING LEASES
	INTERNAL SERVICE FUNDS	LONG-TERM DEBT ACCOUNT GROUP		
1996	3,834	332	3,542	2,107
1997	1,512	109	4,048	976
1998	888	86	2,371	883
1999	429	21	1,465	318
2000	85	20	945	128
Thereafter	-	-	3,546	125
Total Minimum Payments	6,748	568	15,917	<u>\$ 4,537</u>
Less:				
interest and executory costs	451	43	2,560	
Present value of net minimum payments	<u>\$ 6,297</u>	<u>\$ 525</u>	<u>\$ 13,357</u>	

Operating lease payments for the year ended June 30, 1995, totaled \$5,186,000.

Capital leases have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is an analysis of property and equipment under capital leases as of June 30, 1995 (dollars in thousands):

	PRIMARY GOVERNMENT		COMPONENT UNITS
	INTERNAL SERVICE FUNDS	GENERAL FIXED ASSET ACCOUNT GROUP	COLLEGE AND UNIVERSITY FUNDS
Buildings	\$ -	\$ -	\$ 4,279
Equipment	19,162	1,017	19,153
Less: accumulated depreciation	(14,060)	-	-
Carrying value	<u>\$ 5,102</u>	<u>\$ 1,017</u>	<u>\$ 23,432</u>

**Lessor Transactions.** The State also is a lessor of property, primarily farm land leased by the Board of Educational Lands and Funds to farmers and ranchers. At June 30, 1995, the State owned approximately 1.5 million acres of land that was under lease. Under the terms of the leases, the annual payments are subject to change based on annual market analysis. Total rents of \$20,398,000 were received under these and other lease agreements for the year ended June 30, 1995.

## 9. General Long-Term Debt

The following is a summary of changes in the general long-term debt account group during the fiscal year (dollars in thousands):

	BALANCE JULY 1, 1994		ADDITIONS	DELETIONS	BALANCE JUNE 30, 1995
Bonds Payable	\$ 12,410	\$ -	\$ 1,080		\$ 11,330
Capital Lease Obligations	513	267	255		525
Claims	1,256	817	986		1,087
Obligations Under Other Financing Arrangements	8,135	3,605	615		11,125
Compensated Absences	57,115	3,974	-		61,089
Totals	<u>\$ 79,429</u>	<u>\$ 8,663</u>	<u>\$ 2,936</u>		<u>\$ 85,156</u>

The additions in compensated absences represent a net increase. "Claims" consists of the long-term portion of Medicaid claims.

## 10. Obligations Under Other Financing Arrangements

The State has entered into special financing arrangements with certain public benefit corporations and municipalities for the purpose of lease/purchasing fixed assets and to fund certain grant programs. Under these arrangements, the State enters into an agreement with a public benefit corporation or municipality to issue debt and construct or purchase a fixed asset or capitalize a loan program. Money is appropriated from special revenue sources other than State tax receipts to pay the debt service. This arrangement does not violate the constitutional restrictions on the incurrence of debt since

## State of Nebraska

debt service is being paid from user fees and not general tax revenues.

In 1991, 1993, and 1994, the State entered into arrangements with the Nebraska Investment Finance Authority to capitalize a loan program to local units of government for wastewater treatment facilities.

The State has a contractual arrangement with the City of Grand Island, Nebraska, which financed the construction of the Nebraska Law Enforcement Training Center in Grand Island. This facility is operated by the State and provides law enforcement training for state and local law enforcement personnel. This contractual arrangement provides for the payment of rentals sufficient to cover the related bond debt service and for passage of title to the State after the bonds have been paid.

Changes in these financing arrangements for the year were as follows (dollars in thousands):

	BALANCE JULY 1, 1994		BALANCE JUNE 30, 1995	
	ADDITIONS	DELETIONS		
Nebraska Investment Finance Authority	\$ 5,775	\$ 3,605	\$ 425	\$ 8,955
City of Grand Island	2,360	-	190	2,170
Totals	<u>\$ 8,135</u>	<u>\$ 3,605</u>	<u>\$ 615</u>	<u>\$ 11,125</u>

A summary of the future minimum contractual obligations including interest at rates from 4.15% to 6.8% is as follows (dollars in thousands):

YEAR	PRINCIPAL	INTEREST	TOTAL
1996	\$ 650	\$ 662	\$ 1,312
1997	895	606	1,501
1998	945	559	1,504
1999	990	507	1,497
2000	1,045	451	1,496
Thereafter	6,600	1,360	7,960
Total	<u>\$ 11,125</u>	<u>\$ 4,145</u>	<u>\$ 15,270</u>

### 11. Contributed Capital

Changes in Internal Service Fund contributed capital accounts during the year were as follows:

(Dollars in Thousands)

	CORREC- TIONAL SERVICES	CENTRAL DATA PROCESSING	RISK MANAGE- MENT	TOTAL
Contributed Capital, July 1, 1994	\$ 205	\$ 1,824	\$ 7	\$ 2,036
Contributions	-	-	1	1
Contributed Capital, June 30, 1995	<u>\$ 205</u>	<u>\$ 1,824</u>	<u>\$ 8</u>	<u>\$ 2,037</u>

### 12. Restatements

At June 30, 1994, certain fund balances were restated as follows:

#### PRIMARY GOVERNMENT RESTATEMENT OF BEGINNING FUND BALANCE/RETAINED EARNINGS (Dollars in Thousands)

	GENERAL	SPECIAL REVENUE	INTERNAL SERVICE	EXPENDABLE TRUST	PENSION TRUST
Fund Balance/Retained Earnings at June 30, 1994, previously reported	\$ 65,545	\$ 390,163	\$ 37,926	\$ 204,346	\$ 1,773,331
To reflect the implementation of GASB Statement 10	(20,788)	-	20,788	-	-
To reflect the implementation of GASB Statement 21	-	-	-	(1,814)	-
To reflect the implementation of GASB Statement 22	30,853	18,696	-	-	-
To correct contracts payable	-	(3,125)	-	-	-
To correct amount due to component units	1,834	-	-	-	-
To reflect funds not previously presented	-	-	-	-	494,050
Fund Balance/Retained Earnings at June 30, 1994, as restated	<u>\$ 77,444</u>	<u>\$ 405,734</u>	<u>\$ 58,714</u>	<u>\$ 202,532</u>	<u>\$ 2,267,381</u>

**COMPONENT UNITS - COLLEGES AND UNIVERSITIES**  
**RESTATEMENT OF BEGINNING FUND BALANCE**

(Dollars in Thousands)

	<b>UNRESTRICTED CURRENT FUNDS</b>	<b>ENDOWMENT FUNDS</b>	<b>INVESTMENT IN PLANT</b>
Fund Balance at June 30, 1994, previously reported	\$ 70,182	\$ 44,131	\$ 843,839
To reflect the implementation of GASB Statement 19	19,921	(19,921)	-
To correct amount due from primary government	(1,834)	-	-
To correct the presentation of fixed asset valuation	-	-	(1,775)
Fund Balance at June 30, 1994, as restated	<u>\$ 88,269</u>	<u>\$ 24,210</u>	<u>\$ 842,064</u>

GASB Statement 10, "Accounting and Financial Reporting for Risk Financing and Related Issues" was implemented during fiscal year 1995. The unfunded liability of the worker's compensation activity, which is included in the Risk Management Internal Service Fund, was reflected as a liability of the General Fund as a result of implementing this statement.

GASB Statement 21, "Accounting for Escheat Property" was implemented during fiscal year 1995. The estimated amount of escheat property expected to be paid to claimants was reflected as a liability of the Escheat Expendable Trust Fund as a result of implementing this statement.

GASB Statement 22, "Accounting for Taxpayer-Assessed Tax Revenues in Governmental Funds" was implemented during fiscal year 1995. Revenues from taxpayer-assessed taxes, net of estimated refunds, were recorded in governmental funds as a result of implementing this statement.

The Highway Special Revenue Fund changed its method of accounting for construction contracts payable during fiscal year 1995. This resulted in a reduction of beginning fund balance.

The State and County Employees' Retirement Systems were reflected as Pension Trust Funds for fiscal year 1995. These funds were not reflected in prior years.

GASB Statement 19, "Governmental College and University Omnibus Statement" was implemented during fiscal year 1995 by the University of Nebraska. The statement requires risk financing activities to be accounted for in the unrestricted current fund. The impact of adopting the statement was to decrease the endowment fund balance and to increase the unrestricted current fund balance.

Effective July 1, 1994, the University of Nebraska changed its method of accounting for undrawn appropriations receivable which is reflected as Due from Primary Government. This change also affected the General Fund balance of the Primary Government.

Peru State College changed its method of accounting for the valuation of fixed assets during fiscal year 1995.

### 13. Pension Plans

The Public Employees Retirement Board which consists of seven members was created in 1971 to administer the Nebraska retirement plans then in existence. Those plans were the School, State Employees', Judges' and State Patrol plans. In October of 1973, the administration of the Nebraska Counties Retirement System was assumed by the Public Employees Retirement Board.

The plans have been created in accordance with Internal Revenue Code, Sections 401(a) and 414(h).

By State law, there is to be an equitable allocation of expenses among the retirement systems administered by the Board, and all expenses shall be provided from the investment income earned by the various retirement funds. Following is a summary of each of these plans:

**State Employees' Retirement.** This plan became effective January 1, 1964, and is a fully funded money purchase (defined contribution) plan. The amounts presented in the accompanying general purpose financial statements for the State Employees' Retirement System are for the fiscal year ended December 31, 1994.

Participation in the plan is required on reaching the age of 30 and completion of two years of continuous service. Voluntary participation is permitted upon reaching age 20 and one year of service. Each member contributes 3.6 percent of the first \$24,000 of pay earned in a calendar year and 4.8 percent of pay over \$24,000. The State matches a member's contribution at a rate of 156 percent as required by State Statute. Net assets of the plan as of December 31, 1994, were \$454,225,000. Retirement benefits depend upon total contributions, age of retirement, investment earnings, and the investment options selected. Benefits vest after five years of plan participation.

The total payroll for employees participating in the State Employees' Retirement System was \$344,174,000 for the year ended December 31, 1994. The total State payroll for all employees for the period was \$398,850,000.



Members contributed \$12,937,000 (3.76 percent of covered payroll) and the State contributed \$20,182,000 (5.86 percent of covered payroll) during the year ended December 31, 1994.

**County Employees' Retirement.** In 1973, the State Legislature brought the County Employees' Retirement System under the administration of the Board. The amounts presented in the accompanying general purpose financial statements for the County Employees' Retirement System are for the fiscal year ended December 31, 1994.

The plan is a money purchase (defined contribution) plan that covers employees of 91 of the State's 93 counties. Participation in the plan is required of all employees working 20 or more hours per week upon the completion of one year of continuous service. Employees working less than 20 hours may elect voluntary participation on reaching age 25 and completing a total of 12 months service. Members contribute 4 percent of their pay earned in a calendar year with a county match of 150 percent as required by State Statute. Benefits vest after five years of plan participation. Net assets of the plan as of December 31, 1994, were \$94,898,000.

Members contributed \$4,049,000 and counties contributed \$6,041,000 during the year ended December 31, 1994.

**School Retirement.** The School Retirement System is a cost-sharing multiple-employer defined benefit pension system. The Legislature in 1945 enacted the law establishing a retirement system for school employees of the State. All regular public school employees in Nebraska, other than those who have their own retirement plan, are members of the system. The benefits are based on both service and contribution. The State pays the service part of the monthly annuity and the member's contribution is converted into a monthly savings annuity. As of June 30, 1994, the date of the most recent actuarial valuation, there were 32,363 active members (22,542 vested, 9,821 nonvested) and 17,215 retirees, beneficiaries and vested terminated members.

The State's contribution is based on an annual actuarial valuation. The employees' contribution is 7.26 percent of their total pay and the school district's contribution is 101 percent of the employees' contribution, as required by State Statute. For the year ended June 30, 1995, the State contributed \$10,744,000 (\$5,457,000 to amortize the unfunded actuarial liability and the remainder for normal cost), employees contributed \$59,501,000 and the school districts contributed \$59,881,000. The State's contribution is mandated by State Statute. The State's actuarially determined contribution amount was 15 percent of the total actuarially determined contri-

bution requirement for all employers. Employees' benefits are vested after five years of plan participation.

**Judges' Retirement.** The Judges' Retirement System is a single-employer defined benefit pension system which was established by the 1955 Legislature. The membership includes Supreme Court, Court of Appeals, District Court, Workers' Compensation Court, County Court, and Juvenile Court. Benefits are based on both service and final average salary.

The plan is funded by members' contributions, a portion of the court fees, and the State's contributions. A one dollar fee for each case is collected from District and County courts plus a 10 percent charge on certain fees collected in the County Courts. The State's contribution is based on an annual actuarial valuation. The judges contribute either 4 or 6 percent of their salary depending on the plan. As of June 30, 1994, the date of the most recent actuarial valuation, there were 165 active, vested members and 169 retirees, beneficiaries and vested terminated members. The covered payroll and total payroll for this plan are the same because participation is mandated upon employment. The covered payroll for the year ended June 30, 1995, was \$11,131,000.

For the year ended June 30, 1995, judges contributed \$547,000, court fees, which represent employer contributions, were \$451,000 and the State General Fund contributed \$659,000. The employer and employee contributions were all for normal cost and there was no unfunded actuarial liability. Benefits vest when the judge takes office.

**State Patrol Retirement.** The State Patrol Retirement System is a single-employer defined benefit pension system which was created in 1947. The benefits are based on a percentage of the final average salary multiplied by years of service, not to exceed 75 percent of the average salary. Members are required to contribute 8 percent of their annual pay which is matched by the State Patrol as required by State Statute. The State's contribution is based on an annual actuarial valuation. As of June 30, 1994, the date of the most recent actuarial valuation, there were 382 active members (255 vested, 127 nonvested) and 193 retirees, beneficiaries and vested terminated members. The covered payroll and total payroll for this plan are the same because participation is mandated upon employment. The covered payroll for the year ended June 30, 1995, was \$13,513,000.

For the year ended June 30, 1995, the State General Fund contributed \$1,415,000 (\$404,000 to amortize the unfunded actuarial liability and the remainder for

# State of Nebraska

normal cost) and the members contributed \$1,133,000. Benefits vest after 10 years of service.

The State's consulting actuary determines employer contributions for all three defined benefit plans to which the State contributes. Contribution rates are developed on an annual basis using the frozen entry age actuarial cost method for service annuity benefits and the aggregate actuarial cost method for excess formula annuity benefits.

The following schedule presents the primary actuarial assumptions used in the most recent actuarial reports.

SYSTEM	ASSUMED INVESTMENT RATE OF RETURN	ASSUMED SALARY INCREASES
School	7.50%	5.00 - 10.70%
Judges'	7.50%	5.50%
State Patrol	7.50%	5.00 - 9.00%

The 1971 Group Annuity Mortality tables were used in the actuarial reports for the School and Judges' systems and the 1983 Group Annuity Mortality tables were used for the State Patrol system. The assumed salary increases for active members in the School system was based on a table that projected salary increases ranging from a high of 10.70% for a person age 20 to a low of

5.00% for a person age 62. The assumed salary increases for members in the Patrol system was based on a table that projected salary increases ranging from a high of 9.00% for a person age 20 to a low of 5.00% for a person age 55.

The amounts shown below as the "pension benefit obligation" are a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the Systems on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the Systems.

The pension benefit obligation was computed as part of actuarial valuations performed as of June 30, 1994. Significant actuarial assumptions used to determine the contribution requirements were the same as those used to determine the pension benefit obligation. The pension benefit obligation for the defined benefit plans as of June 30, 1994, is as follows (dollars in thousands):

	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT	TOTAL
Pension benefit obligation:				
Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits	\$ 509,011	\$ 20,109	\$ 44,822	\$ 573,942
Current employees:				
Accumulated employee contributions, including allocated investment income	713,880	9,439	18,351	741,670
Employer-financed vested	452,973	15,009	30,174	498,156
Employer-financed non-vested	168,978	-	6,931	175,909
<b>Total pension benefit obligation</b>	<b>1,844,842</b>	<b>44,557</b>	<b>100,278</b>	<b>1,989,677</b>
<b>Net assets available for benefits, at cost</b>	<b>1,638,474</b>	<b>42,777</b>	<b>92,080</b>	<b>1,773,331</b>
<b>Unfunded pension benefit obligation</b>	<b>\$ 206,368</b>	<b>\$ 1,780</b>	<b>\$ 8,198</b>	<b>\$ 216,346</b>
Net assets available for benefits, at market value	\$ 1,716,112	\$ 46,195	\$ 101,265	\$ 1,863,572

Actual contributions for the fiscal year ended June 30, 1995 are as follows (dollars in thousands):

SYSTEM	STATE AND EMPLOYER CONTRIBUTIONS	PERCENT OF COVERED PAYROLL	EMPLOYEE CONTRIBUTIONS	PERCENT OF COVERED PAYROLL	ACTIVE MEMBER PAYROLL
School	\$ 70,625	8.98%	\$ 59,501	7.56%	\$ 786,569
Judges'	1,110	9.97%	547	4.91%	11,131
State Patrol	1,415	10.47%	1,133	8.38%	13,513
	<b>\$ 73,150</b>		<b>\$ 61,181</b>		<b>\$ 811,213</b>

State and employer contributions were made in accordance with actuarially determined requirements. It is anticipated by the actuary that the current contributions will remain approximately level and will fund current service cost and amortize unfunded actuarial liabilities of prior service costs by July 1, 2018.

Historical trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due, and may be found in the Required Supplementary Information section of this report. An analysis of funding progress for the three latest available years is presented in the following tables.

Net assets available for benefits as a percentage of the pension benefit obligation are as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1994	88.81%	96.01%	91.82%
1993	84.03%	91.05%	89.45%
1992	81.75%	97.07%	99.13%

Unfunded pension benefit obligation as a percentage of annual covered payroll is as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1994	27.72%	16.08%	63.62%
1993	38.27%	34.31%	73.72%
1992	39.78%	10.11%	5.04%

Showing unfunded pension benefit obligations as a percentage of annual covered payroll approximately adjusts for the effects of inflation for analysis purposes.

State and employer contributions as a percentage of annual covered payroll are as follows:

YEAR ENDED JUNE 30	SCHOOL RETIREMENT	JUDGES' RETIREMENT	STATE PATROL RETIREMENT
1995	8.98%	9.97%	10.47%
1994	9.14%	9.12%	9.66%
1993	7.97%	4.04%	9.41%

These contributions were all made in accordance with actuarially determined requirements.

Ten-year historical trend information presenting revenues by source and expenses by type for all three defined benefit plans may be found in the Required Supplementary Information section of this report.

**Department of Labor, Division of Employment Security Retirement Plan.** As of July 1, 1994, the date of the most recent actuarial valuation, there were 241 current or former employees of the Nebraska Department of Labor, Employment Security Division (Federal Special Revenue Fund) who were participants (217 active; 24 inactive) in a defined benefit retirement plan administered by the Principal Financial Group (plan carrier). The plan is fully funded through participants' contributions and special federal revenues from the U.S. Department of Labor, Employment and Training Administration and is accounted as a non-contributing plan (no State General Fund Revenues).

The plan includes only employees hired by the Nebraska Department of Labor, Employment Security Division prior to July 1, 1984. Employees becoming eligible for retirement plan participation subsequent to that date are covered by the State of Nebraska's defined contribution plan.

The employee's contribution to the defined benefit plan is 7 percent of July 1st salary. The employer contribution is based on an annual Actuarial Valuation Report and includes contributions for prior service. Retirement benefits are based on a percentage formula which includes the employee's salary and years of credited service.

The July 1, 1994, present value of future retirement benefits was \$58,818,000 and the unfunded liability was \$1,221,000. The net present value of assets available for benefits was \$60,039,000. The average assumed rate of return used in determining the actuarial value of accumulated plan benefits was 7.5 percent.

The Nebraska Department of Labor's actual current year employer contributions, including prior year service costs, to the Principal Financial Group from the Federal Special Revenue Fund for the year ended June 30, 1995, were \$0. The total personal services for the Division of Employment was \$11,979,000. The total payroll for the active participants in this plan was \$7,029,000.

**Component Units.** The Teachers Insurance and Annuity Association (TIAA-CREF), a privately administered defined contribution retirement plan, provides individual retirement fund contracts for eligible employees of the State Colleges and Universities. Under the plan, eligible employees contribute 2% to 6% of monthly earnings and the institutions match the employees' contribution plus an additional 1% to 2.5% of earnings. Participation in the plan is required upon reaching the age of 30 with two years of continuous service. Voluntary participation is permitted upon reaching the age of 25 and two years of continuous service. The plan benefits are fully vested at the date of contribution. The State assumes no liability for the plan other than payment of contributions.

The total payroll for the State Colleges and Universities for fiscal year 1995 was \$496,991,000 of which \$386,860,000 was covered by the plan. The institutions' contribution was \$27,678,000 or 7.15% of covered payroll and the employees' contribution was \$19,922,000 or 5.15% of covered payroll.

#### 14. Deferred Compensation Plan

The State offers its employees a deferred compensation plan created in accordance with Internal Revenue Code, Section 457. The plan, available to all State employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to all employees until termination, retirement, death, or unforeseeable emergency. The plan is recorded as an agency fund of the State.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employees or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participants' rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

The State has the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

The following is a summary of the increases and decreases of the fund for the year ended June 30, 1995 (dollars in thousands).

Fund assets (at market value), July 1, 1994	\$ 47,831
Deferrals of compensation	5,743
Earnings and adjustment to market value	7,171
Payments to eligible participants and beneficiaries	(2,692)
Administrative expenses	(72)
Fund assets (at market value), June 30, 1995	<u>\$ 57,981</u>

#### 15. Contingencies and Commitments

**Grants and Contracts.** The State participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the State.

All State agencies including institutions of higher education are required to comply with various federal regulations issued by the U.S. Office of Management and Budget if such agency or institution is a recipient of federal grants, contracts, or other sponsored agreements. Certain agencies or institutions may not be in total compliance with these regulations. Failure to comply

may result in questions concerning the allowability of related direct and indirect charges pursuant to such agreements. It is believed that the ultimate disallowance pertaining to these regulations, if any, will not be material to the overall financial condition of the State.

**Litigation.** The State is named as a party in legal proceedings which occur in the normal course of governmental operations. Such litigation includes, but is not limited to, claims asserted against the State arising from alleged torts, alleged breaches of contract, condemnation proceedings and other alleged violations of State and Federal laws.

It is not possible at the present time to estimate ultimate outcome or liability, if any, of the State for these proceedings. However, it is the State's opinion that any ultimate liability is not expected to have a material adverse effect on the State's financial position.

**Contingencies.** The Nebraska Public Employees Retirement System (NPERS) has decided to diversify its investments in Guaranteed Investment Contracts (GIC's) for its two defined contribution plans. The diversification plan is to spread the purchase of new GIC's with several insurance carriers to minimize the concentration of assets with any one carrier. However, as of June 30, 1995, one insurance carrier held \$192,606,000 or 38.0 percent of the GIC's of the two defined contribution plans.

**Construction Commitments.** At June 30, 1995, the Department of Roads had contractual commitments of \$252,185,000 for various highway and building projects. Funding of these future expenditures is expected to be provided as follows (dollars in thousands):

Federal funds	\$ 76,866
State funds	166,038
Local funds	9,281
	<u>\$ 252,185</u>

At June 30, 1995, the Colleges and Universities had contracted for the construction of several facilities which are estimated to cost \$208,234,000. The approximate remaining costs to complete these facilities were \$72,927,000 which will be financed as follows (dollars in thousands):

State appropriations	\$ 1,207
Federal funds	6,506
University funds	32,993
Private gifts, grants and contracts	22,242
Bond funds	9,979
	<u>\$ 72,927</u>

## 16. Risk Management

Through the Department of Administrative Services Division of Risk Management, the State maintains an insurance and self-insurance program. Workers' compensation, employee liability and general liability under State law are self-insured. The Colleges and Universities are self-insured for a portion of their comprehensive general and hospital professional liability and property losses. Motor vehicle liability is insured for the first \$1 million of exposure per accident and employee dishonesty is bonded for the first \$1 million annually with a \$10,000 retention per incident. Settled claims have not exceeded this commercial insurance coverage in any of the past three years. The State retains the full risk for all real and personal property damage. The Department of Administrative Services Division of State Personnel maintains health care and life insurance for covered State employees. These activities are reported in the Risk Management Internal Service Fund.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. The balance of claims liabilities is determined by an analysis of past, current, and future estimated loss experience. Because actual claims liabilities depend on such factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability may not result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Changes in the balances of claims liabilities during the years ended June 30, 1994 and June 30, 1995 were as follows (dollars in thousands):

	Fiscal Year	
	1995	1994
Beginning Balance	\$ 31,653	\$ 29,893
Current Year Claims and Changes in Estimates	66,383	63,691
Claim Payments	68,188	61,931
Ending Balance	<u>\$ 29,848</u>	<u>\$ 31,653</u>

## 17. Segment Information

The State maintains two enterprise funds. The Lottery Fund accounts for all receipts and expenses from the operations of the State Lottery. The Excess Liability Fund accounts for liability insurance coverage provided to health care providers.

College and University Funds account for the operations of institutions of higher education.

Segment information for the fiscal year ended June 30, 1995, is as follows:

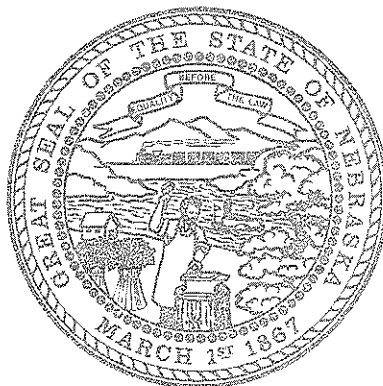
### ENTERPRISE FUNDS SEGMENT INFORMATION (Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY
Operating Revenue	\$ 79,021	\$ 3,728
Operating Expenses:		
Depreciation	62	-
Other	55,257	2,689
Operating Income (Loss)	23,702	1,039
Operating Transfers Out	(19,755)	-
Nonoperating Revenues (Expenses)	587	4,051
Net Income	<u>\$ 4,534</u>	<u>\$ 5,090</u>
Current Assets	\$ 15,689	\$ 2,663
Current Liabilities	7,943	3,998
Net Working Capital	<u>\$ 7,746</u>	<u>\$ (1,335)</u>
Total Assets	\$ 17,724	\$ 51,681
Total Liabilities	10,874	19,180
Retained Earnings	<u>\$ 6,850</u>	<u>\$ 32,501</u>
Long-Term Liabilities	<u>\$ 2,931</u>	<u>\$ 15,182</u>
Property, Plant and Equipment, Additions	<u>\$ 64</u>	<u>\$ -</u>

There were no operating grants, entitlements, tax or shared revenues, or capital contributions during 1995.

**COMPONENT UNITS – COLLEGES AND UNIVERSITIES**  
**SEGMENT INFORMATION**  
(Dollars in Thousands)

	<b>TOTAL ASSETS</b>	<b>TOTAL LIABILITIES</b>	<b>FUND BALANCE</b>
Current Funds:			
Unrestricted	\$ 202,811	\$ 113,066	\$ 89,745
Restricted	49,811	13,225	36,586
Loan Funds	34,999	215	34,784
Endowment Funds	25,771	63	25,708
Plant Funds	1,216,597	127,686	1,088,911
Agency Funds	1,965	1,965	-
Totals	<u>\$ 1,531,954</u>	<u>\$ 256,220</u>	<u>\$ 1,275,734</u>

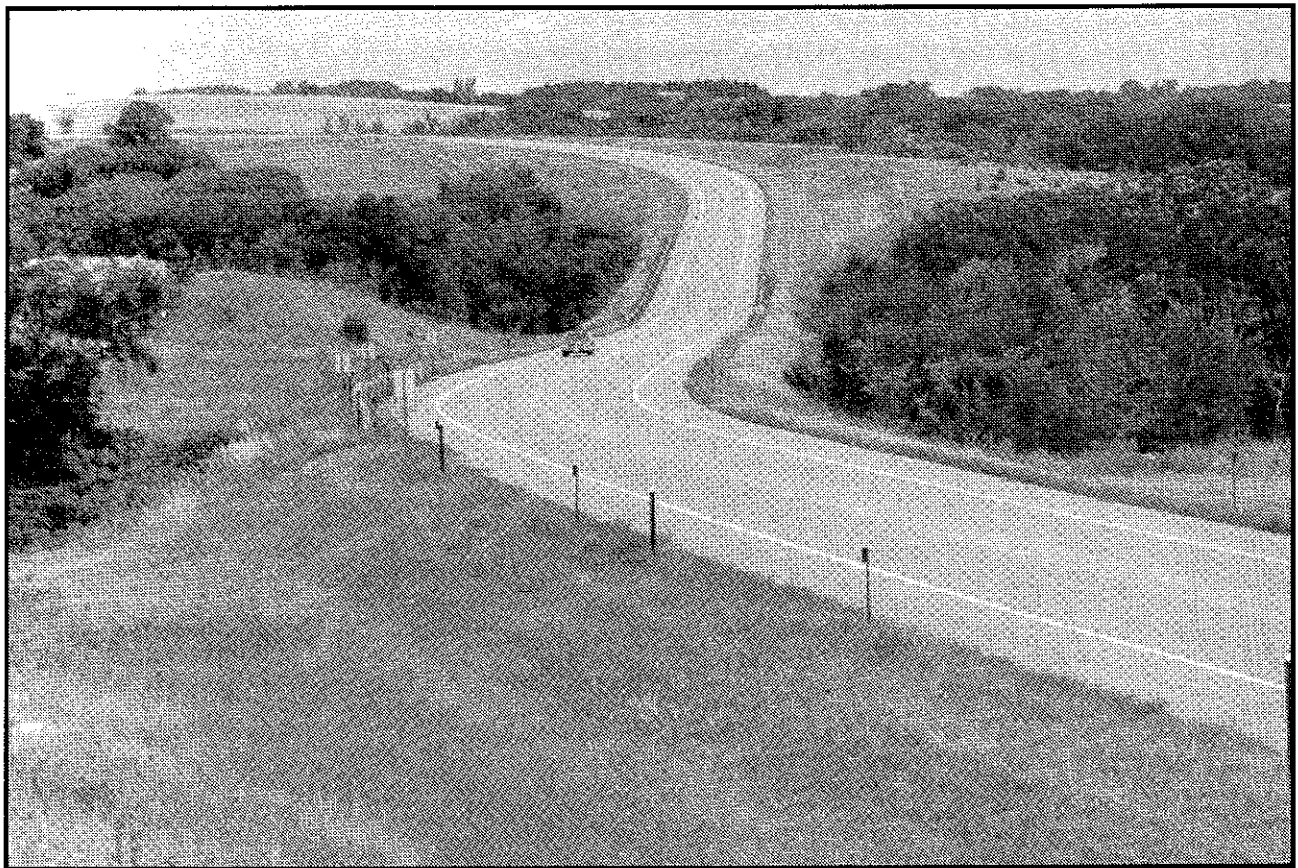


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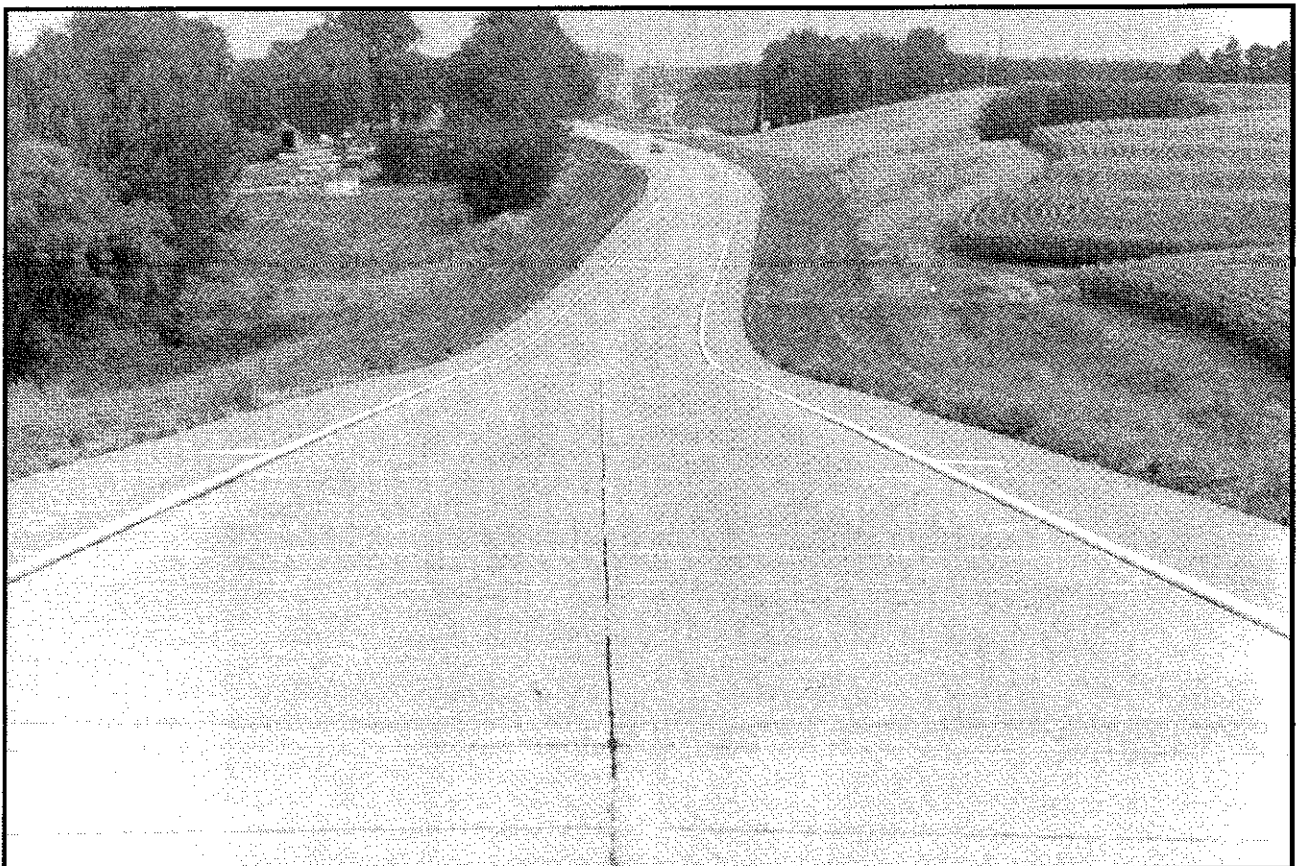
## REQUIRED SUPPLEMENTARY INFORMATION

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Today, even though roads may have curves and inclines, shoulders are properly sloped and cleared for drainage and motorist's safety.



A ribbon of concrete through Nebraska's countryside.



# REQUIRED SUPPLEMENTARY INFORMATION

## ANALYSIS OF FUNDING PROGRESS

### FOR DEFINED BENEFIT PENSION SYSTEMS (Unaudited)

(Dollars in Thousands)

	NET ASSETS AVAILABLE FOR BENEFITS	PENSION BENEFIT OBLIGATION	PERCENTAGE FUNDED	UNFUNDED (ASSETS IN EXCESS OF) PENSION BENEFIT OBLIGATION	ANNUAL COVERED PAYROLL	UNFUNDED (ASSETS IN EXCESS OF) PENSION BENEFIT OBLIGATION AS A PERCENTAGE OF COVERED PAYROLL
<b>SCHOOL RETIREMENT SYSTEM</b>						
1989	\$ 817,982	\$ 1,048,216	78.04 %	\$ 230,234	\$ 573,066	40.18 %
1990	941,220	1,190,819	79.04	249,599	633,221	39.42
1991	1,053,530	1,344,676	78.35	291,146	702,447	41.45
1992	1,211,128	1,481,418	81.75	270,290	679,383	39.78
1993	1,412,915	1,681,436	84.03	268,521	701,702	38.27
1994	1,638,474	1,844,842	88.81	206,368	744,439	27.72
<b>JUDGES' RETIREMENT SYSTEM</b>						
1989	\$ 28,974	\$ 24,002	120.71 %	\$ (4,972)	\$ 8,091	(61.45)%
1990	31,133	26,191	118.87	(4,942)	8,588	(57.55)
1991	32,515	29,557	110.01	(2,958)	9,467	(31.25)
1992	35,324	36,390	97.07	1,066	10,542	10.11
1993	39,077	42,918	91.05	3,841	11,195	34.31
1994	42,777	44,557	96.01	1,780	11,072	16.08
<b>STATE PATROL RETIREMENT SYSTEM</b>						
1989	\$ 61,899	\$ 61,747	100.25 %	\$ (152)	\$ 10,395	(1.46)%
1990	66,355	66,162	100.29	(193)	11,015	(1.75)
1991	69,223	72,245	95.82	3,022	12,553	24.07
1992	75,547	76,207	99.13	660	13,094	5.04
1993	84,272	94,214	89.45	9,942	13,487	73.72
1994	92,080	100,278	91.82	8,198	12,885	63.62

Analysis of the dollar amounts of net assets available for benefits, pension benefit obligation, and unfunded (assets in excess of) pension benefit obligation in isolation can be misleading. Expressing the net assets available for benefits as a percentage of the pension benefit obligation provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded (assets in excess of) pension benefit obligation and annual covered payroll are both affected by inflation. Expressing the unfunded (assets in excess of) pension benefit obligation as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the system.

**NOTE:** The standardized measure of the pension benefit obligation was available beginning with fiscal year 1989. The most recent actuarial reports available are for fiscal year 1994.

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES BY SOURCE  
AND EXPENSES BY TYPE  
SCHOOL RETIREMENT SYSTEM (Unaudited)**

1986 – 1995

(Dollars in Thousands)					
FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	STATE AND EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1986	\$ 21,714	\$ 29,897	\$ 60,031	\$ 111,642	6.29%
1987	29,571	32,973	64,437	126,981	6.56
1988	33,647	33,865	49,616	117,128	6.34
1989	34,945	44,285	53,539	132,769	7.73
1990	38,386	49,951	70,357	158,694	7.89
1991	42,431	53,349	56,426	152,206	7.59
1992	45,315	53,707	103,518	202,540	7.91
1993	47,930	55,918	146,333	250,181	7.97
1994	60,060	68,056	151,471	279,587	9.14
1995	59,501	70,625	148,393	278,519	8.98

(Dollars in Thousands)				
FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1986	\$ 12,801	\$ 1,556	\$ 3,877	\$ 18,234
1987	14,476	1,112	3,942	19,530
1988	18,541	2,144	4,499	25,184
1989	23,401	2,237	4,643	30,281
1990	27,116	2,565	5,775	35,456
1991	30,804	2,936	6,156	39,896
1992	34,860	3,453	6,629	44,942
1993	39,335	3,926	5,133	48,394
1994	44,862	4,068	5,098	54,028
1995	49,926	6,050	5,497	61,473

Contributions were made in accordance with actuarially determined contribution requirements.

**SOURCE:** Fiscal Years 1986-1988 – Cash Basis Records of the Nebraska Public Employees Retirement System  
Fiscal Years 1989-1995 – Nebraska Comprehensive Annual Financial Report – GAAP Accrual Basis

State of Nebraska

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES BY SOURCE  
AND EXPENSES BY TYPE  
JUDGES' RETIREMENT SYSTEM (Unaudited)**

1986 – 1995

(Dollars in Thousands)					
FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1986	\$ 416	\$ 945	\$ 3,459	\$ 4,820	12.23%
1987	417	606	2,815	3,838	8.25
1988	406	455	1,963	2,824	5.86
1989	414	495	1,909	2,818	6.12
1990	432	533	2,423	3,388	6.21
1991	422	474	1,758	2,654	5.01
1992	449	483	3,333	4,265	4.58
1993	727	452	4,476	5,655	4.04
1994	620	1,010	4,280	5,910	9.12
1995	547	1,110	3,961	5,618	9.97

(Dollars in Thousands)				
FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1986	\$ 797	\$ 49	\$ 12	\$ 858
1987	896	72	14	982
1988	959	101	89	1,149
1989	1,055	93	43	1,191
1990	1,129	100	-	1,229
1991	1,178	94	-	1,272
1992	1,342	107	7	1,456
1993	1,767	120	15	1,902
1994	2,040	120	50	2,210
1995	2,309	162	-	2,471

**NOTE:** Employer contributions include State General Fund contributions and court fees.

Contributions were made in accordance with actuarially determined contribution requirements.

**SOURCE:** Fiscal Years 1986-1988 – Cash Basis Records of the Nebraska Public Employees Retirement System  
Fiscal Years 1989-1995 – Nebraska Comprehensive Annual Financial Report – GAAP Accrual Basis

State of Nebraska

# **REQUIRED SUPPLEMENTARY INFORMATION** **SCHEDULE OF REVENUES BY SOURCE** **AND EXPENSES BY TYPE**

## **STATE PATROL RETIREMENT SYSTEM (Unaudited)**

1986 – 1995

(Dollars in Thousands)					
FISCAL YEAR	REVENUES BY SOURCE			TOTAL	EMPLOYER CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL
	EMPLOYEE CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS	INVESTMENT INCOME AND OTHER		
1986	\$ 748	\$ 1,563	\$ 6,107	\$ 8,418	17.72%
1987	747	747	5,944	7,438	8.84
1988	780	780	4,270	5,830	7.88
1989	843	1,081	4,182	6,106	10.40
1990	903	1,083	5,328	7,314	9.83
1991	997	1,172	3,859	6,028	9.34
1992	1,060	1,230	7,219	9,509	9.39
1993	1,109	1,269	9,655	12,033	9.41
1994	1,089	1,245	9,325	11,659	9.66
1995	1,133	1,415	8,784	11,332	10.47

(Dollars in Thousands)				
FISCAL YEAR	EXPENSES BY TYPE			TOTAL
	ANNUITY BENEFITS	ADMINISTRATIVE EXPENSES	REFUNDS	
1986	\$ 1,464	\$ 95	\$ 24	\$ 1,583
1987	1,686	127	174	1,987
1988	1,813	157	109	2,079
1989	2,007	140	175	2,322
1990	2,523	161	174	2,858
1991	2,794	155	211	3,160
1992	2,965	172	48	3,185
1993	3,087	196	25	3,308
1994	3,583	225	43	3,851
1995	4,320	324	10	4,654

Contributions were made in accordance with actuarially determined contribution requirements.

**SOURCE:** Fiscal Years 1986-1988 – Cash Basis Records of the Nebraska Public Employees Retirement System  
Fiscal Years 1989-1995 – Nebraska Comprehensive Annual Financial Report – GAAP Accrual Basis

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# COMBINING AND INDIVIDUAL FUND STATEMENTS

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## SPECIAL REVENUE FUNDS

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Specific revenues which are legally restricted to expenditure for particular activities are accounted for in Special Revenue Funds. A brief description of each fund follows.

**Licensing and Regulation.** This fund accounts for all activities of agencies, boards, and commissions whose primary function is licensing individuals and regulating industry and professions. This includes a diverse group of professions such as abstracters, medical professions, barbers, engineers, architects and accountants.

**Highway Fund.** This fund accounts for the activities of the Department of Motor Vehicles and the Department of Roads in relation to gas taxes and other highway user fees.

**Economic Development.** This fund accounts for activities to develop and promote the growth of industry, agriculture, commerce and tourism, and utilization of resources within Nebraska.

**Airport Development.** This fund accounts for the activities relating to aircraft fuels tax, which is administered by the Department of Aeronautics for the support and maintenance of public airports.

**Game and Parks.** This fund accounts for the activities related to the Nebraska Game and Parks Commission, which is responsible for the development and preservation of the fish and wildlife resources of Nebraska, and operation and administration of the State park system.

**Energy Conservation.** This fund accounts for activities relating to the oil and gas severance taxes as well as energy conservation and development activities. The State Energy Office is responsible for providing technical assistance on energy conservation and development, distributing funds for the school weatherization program, and administering and distributing federal funds provided to the State in the area of energy efficiency.

**Federal Fund.** This fund accounts for substantially all federal monies received by the State, except those received by the Highway Fund and the Colleges and Universities.

**Health and Social Services.** This fund accounts for activities of agencies, boards, and commissions relating to health care and social services.

**Other Special Revenue.** This fund accounts for various other revenues which must be used for specific purposes.

State of Nebraska  
**COMBINING BALANCE SHEET**  
**ALL SPECIAL REVENUE FUNDS**  
June 30, 1995

(Dollars in Thousands)

	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 35,990	\$ 161,760	\$ 37,097
Cash on Deposit with Fiscal Agents	-	-	-
Investments, at Cost	-	-	-
Receivables, net of allowance			
Taxes	184	36,407	-
Due from Federal Government	15	16,037	-
Loans	-	-	257
Other	1,889	13,835	465
Due from Other Funds	47	336	197
Inventories	-	11,004	-
Prepaid Items	20	-	-
Other	44	8	470
<b>TOTAL ASSETS</b>	<b>\$ 38,189</b>	<b>\$ 239,387</b>	<b>\$ 38,486</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts Payable and Accrued Liabilities	\$ 4,412	\$ 41,214	\$ 186
Tax Refunds Payable	-	3,723	-
Due to Other Governments	202	7,140	132
Deposits	319	264	644
Due to Other Funds	1,024	1,160	140
Claims Payable	-	-	-
Deferred Revenue	-	-	-
Other	-	132	-
<b>TOTAL LIABILITIES</b>	<b>5,957</b>	<b>53,633</b>	<b>1,102</b>
<b>FUND BALANCES:</b>			
Reserved for:			
Long-Term Receivables	-	-	257
Inventories and Prepaid Items	20	11,004	-
Debt Service	-	-	-
Unreserved	32,212	174,750	37,127
<b>TOTAL FUND BALANCES</b>	<b>32,232</b>	<b>185,754</b>	<b>37,384</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 38,189</b>	<b>\$ 239,387</b>	<b>\$ 38,486</b>

AIRPORT DEVELOPMENT	GAME AND PARKS	ENERGY CONSERVATION	FEDERAL FUND	HEALTH AND SOCIAL SERVICES	OTHER SPECIAL REVENUE	TOTALS
\$ 5,187	\$ 26,947	\$ 17,257	\$ 12,167	\$ 9,818	\$ 48,820	\$ 355,043
-	-	-	-	-	8,106	8,106
-	-	-	2,732	-	7,660	10,392
130	-	-	-	-	51	36,772
-	745	-	100,153	-	-	116,950
2,378	-	20,847	1,556	2,038	29,494	56,570
77	343	228	599	3,703	952	22,091
84	376	104	630	1,081	1,696	4,551
-	-	-	21,894	1,296	-	34,194
-	14	5	16	13	8	76
-	-	-	-	-	186	708
<u>\$ 7,856</u>	<u>\$ 28,425</u>	<u>\$ 38,441</u>	<u>\$ 139,747</u>	<u>\$ 17,949</u>	<u>\$ 96,973</u>	<u>\$ 645,453</u>
\$ 430	\$ 2,357	\$ 630	\$ 30,136	\$ 2,574	\$ 1,095	\$ 83,034
-	-	-	-	-	-	3,723
-	-	-	-	-	-	7,474
-	-	-	4,417	431	11	6,086
5	89	8	2,752	301	2,687	8,166
-	-	-	57,129	-	-	57,129
-	83	-	24,606	-	-	24,689
-	27	-	-	138	5	302
<u>435</u>	<u>2,556</u>	<u>638</u>	<u>119,040</u>	<u>3,444</u>	<u>3,798</u>	<u>190,603</u>
2,378	-	20,847	1,556	2,038	29,494	56,570
-	14	5	16	1,309	8	12,376
-	-	-	-	-	7,812	7,812
<u>5,043</u>	<u>25,855</u>	<u>16,951</u>	<u>19,135</u>	<u>11,158</u>	<u>56,061</u>	<u>378,292</u>
<u>7,421</u>	<u>25,869</u>	<u>37,803</u>	<u>20,707</u>	<u>14,505</u>	<u>93,175</u>	<u>454,850</u>
<u>\$ 7,856</u>	<u>\$ 28,425</u>	<u>\$ 38,441</u>	<u>\$ 139,747</u>	<u>\$ 17,949</u>	<u>\$ 96,973</u>	<u>\$ 645,453</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES ALL SPECIAL REVENUE FUNDS**

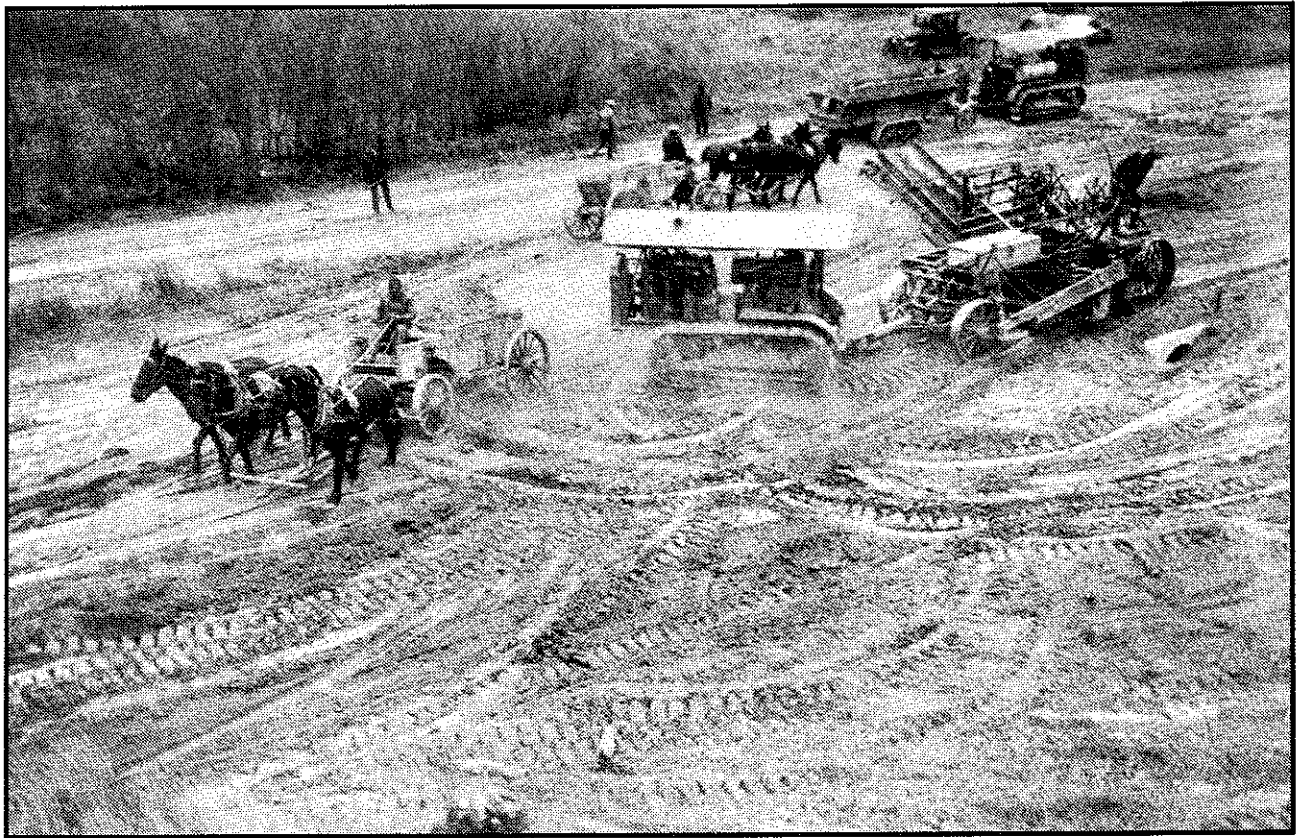
For the Year Ended June 30, 1995

(Dollars in Thousands)

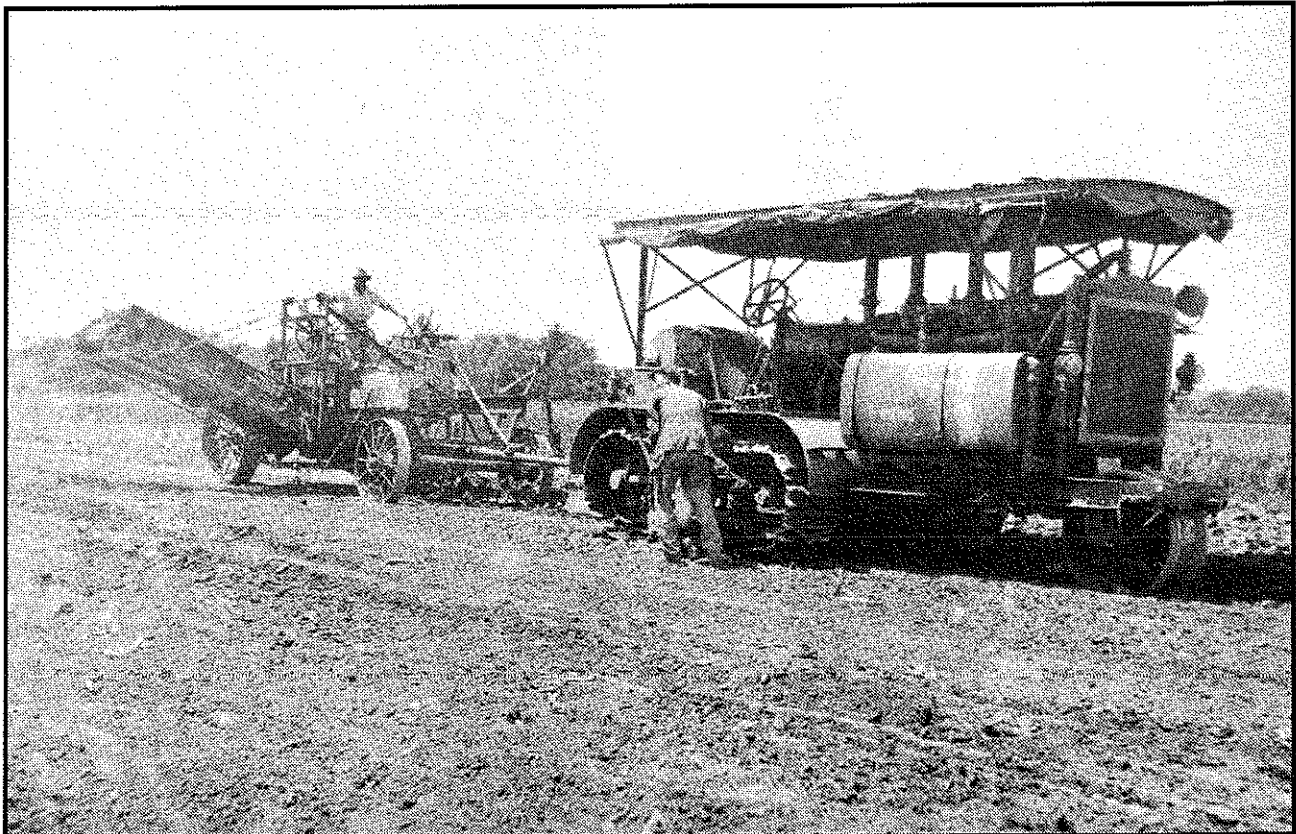
	LICENSING AND REGULATION	HIGHWAY FUND	ECONOMIC DEVELOPMENT
<b>REVENUES:</b>			
Taxes	\$ 15,117	\$ 334,799	\$ 13,384
Federal Grants and Contracts	68	145,311	144
Licenses, Fees and Permits	34,653	50,649	-
Charges for Services	1,732	15,764	149
Investment Income	2,213	7,101	1,696
Rents and Royalties	-	291	-
Other	1,590	3,072	131
<b>TOTAL REVENUES</b>	<b>55,373</b>	<b>556,987</b>	<b>15,504</b>
<b>EXPENDITURES:</b>			
General Government	-	-	-
Conservation of Natural Resources	-	-	-
Culture - Recreation	-	-	-
Economic Development and Assistance	-	-	8,050
Education	-	-	-
Health and Social Services	-	-	-
Public Safety	-	-	-
Regulation of Business and Professions	41,870	-	-
Transportation	-	555,410	-
Debt Service	-	-	-
Principal	-	-	-
Interest	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>41,870</b>	<b>555,410</b>	<b>8,050</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>13,503</b>	<b>1,577</b>	<b>7,454</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating Transfers In	2,339	425	6,150
Operating Transfers Out	(10,475)	(5,312)	(425)
Operating Transfers to Component Units	-	-	-
Proceeds from Other Financing Arrangements	-	-	-
Proceeds from Capital Leases	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(8,136)</b>	<b>(4,887)</b>	<b>5,725</b>
<b>Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>5,367</b>	<b>(3,310)</b>	<b>13,179</b>
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>26,865</b>	<b>189,064</b>	<b>24,205</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 32,232</b>	<b>\$ 185,754</b>	<b>\$ 37,384</b>



[illegible]



In 1929, wagon and horses were still being used in combination with motorized equipment on this project near Gothenburg and Farnam.



Two kinds of "modern" maintenance equipment were proudly used on a project near Tecumseh-Crab Orchard around 1920.

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## ENTERPRISE FUNDS

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Enterprise Funds are maintained to account for operations that are financed and operated in a manner similar to private business enterprises—where the costs of providing goods and services to the general public are financed primarily through user charges.

**Lottery Fund.** This fund accounts for all receipts and expenses from the operations of the State Lottery.

**Excess Liability Fund.** This fund accounts for the activity resulting from implementation of the Nebraska Hospital-Medical Liability Act. Revenues are primarily insurance premiums from certain health care providers and a surcharge levied on all health care providers in Nebraska. Expenses from the fund are used to pay judgments against the insured health care provider.

State of Nebraska  
**COMBINING BALANCE SHEET**  
**ENTERPRISE FUNDS**  
June 30, 1995

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 13,225	\$ 2,191	\$ 15,416
Receivables, net of allowance	2,464	472	2,936
TOTAL CURRENT ASSETS	15,689	2,663	18,352
RESTRICTED ASSETS:			
Long-Term Deposits	1,900	-	1,900
NONCURRENT ASSETS:			
Long-Term Investments	-	49,018	49,018
Property, Plant and Equipment, net	135	-	135
TOTAL NONCURRENT ASSETS	135	49,018	49,153
TOTAL ASSETS	\$ 17,724	\$ 51,681	\$ 69,405
<b>LIABILITIES AND RETAINED EARNINGS</b>			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 6,474	\$ -	\$ 6,474
Due to Other Funds	1,469	9	1,478
Claims Payable	-	2,819	2,819
Deferred Revenue	-	1,170	1,170
TOTAL CURRENT LIABILITIES	7,943	3,998	11,941
NONCURRENT LIABILITIES:			
Accrued Compensated Absences	65	-	65
Contractual Obligations	2,866	-	2,866
Claims Payable	-	15,182	15,182
TOTAL NONCURRENT LIABILITIES	2,931	15,182	18,113
TOTAL LIABILITIES	10,874	19,180	30,054
RETAINED EARNINGS:			
Reserved for Lottery Prizes	2,300	-	2,300
Unreserved	4,550	32,501	37,051
TOTAL RETAINED EARNINGS	6,850	32,501	39,351
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 17,724	\$ 51,681	\$ 69,405

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS ENTERPRISE FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 79,021	\$ 3,728	\$ 82,749
TOTAL OPERATING REVENUES	79,021	3,728	82,749
<b>OPERATING EXPENSES:</b>			
Personal Services	1,005	-	1,005
Services and Supplies	14,923	255	15,178
Lottery Prizes	39,329	-	39,329
Insurance Claims	-	2,434	2,434
Depreciation	62	-	62
TOTAL OPERATING EXPENSES	55,319	2,689	58,008
Operating Income (Loss)	23,702	1,039	24,741
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest Income	587	3,990	4,577
Gain (Loss) on Sale of Investments	-	61	61
TOTAL NONOPERATING REVENUES (EXPENSES)	587	4,051	4,638
Income Before Operating Transfers	24,289	5,090	29,379
<b>OPERATING TRANSFERS:</b>			
Operating Transfers Out	(19,755)	-	(19,755)
Net Income	4,534	5,090	9,624
<b>RETAINED EARNINGS, JULY 1</b>	2,316	27,411	29,727
<b>RETAINED EARNINGS, JUNE 30</b>	<u>\$ 6,850</u>	<u>\$ 32,501</u>	<u>\$ 39,351</u>

## State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS

## ENTERPRISE FUND

For the Year Ended June 30, 1995

(Dollars in Thousands)

	LOTTERY	EXCESS LIABILITY	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 78,829	\$ 2,768	\$ 81,597
Cash Paid to Employees	(995)	-	(995)
Cash Paid to Suppliers	(8,095)	(118)	(8,213)
Cash Paid for Lottery Prizes	(38,102)	-	(38,102)
Cash Paid for Insurance Claims	-	(3,639)	(3,639)
Cash Paid for Interfund Services	(3,418)	(137)	(3,555)
NET CASH FLOWS FROM OPERATING ACTIVITIES	28,219	(1,126)	27,093
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Long-Term Deposits	(1,358)	-	(1,358)
Operating Transfers Out	(19,308)	-	(19,308)
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(20,666)	-	(20,666)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING:</b>			
Acquisition and Construction of Capital Assets	(64)	-	(64)
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	(64)	-	(64)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Purchase of Investment Securities	-	(18,833)	(18,833)
Proceeds from Sale of Investment Securities	-	15,460	15,460
Interest and Dividend Income	504	3,848	4,352
NET CASH FLOWS FROM INVESTING ACTIVITIES	504	475	979
NET INCREASE (DECREASE) IN CASH	7,993	(651)	7,342
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>5,232</u>	<u>2,842</u>	<u>8,074</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u>\$ 13,225</u>	<u>\$ 2,191</u>	<u>\$ 15,416</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	\$ 23,702	\$ 1,039	\$ 24,741
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	62	-	62
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(192)	-	(192)
(Increase) Decrease in Prepaid Expenses	54	-	54
Increase (Decrease) in Accounts Payable and Accrued Liabilities	4,572	-	4,572
Increase (Decrease) in Due to Other Funds	21	-	21
Increase (Decrease) in Claims Payable	-	(1,205)	(1,205)
Increase (Decrease) in Deferred Revenue	-	(960)	(960)
Total adjustments	4,517	(2,165)	2,352
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 28,219</u>	<u>\$ (1,126)</u>	<u>\$ 27,093</u>

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## INTERNAL SERVICE FUNDS

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Internal Service Funds are used to account for the operations of State agencies which provide goods and services to other departments or agencies within State government on a cost-reimbursement basis. The State has the following internal service funds:

**Correctional Services.** The activities of Cornhusker State Industries in the Department of Corrections is accounted for in this fund.

**Buildings and Grounds.** The activities of the Department of Administrative Services, Building Division, for space rental, office and storage, and operating the parking areas are accounted for in this fund.

**General Services.** This fund accounts for the operations of central services provided by the Department of Administrative Services, Materiel Division. These operations are the central mail room, printing, central stores, purchasing services, surplus State property, and other miscellaneous office services.

**Communications.** This fund accounts for the activities of the central communications network maintained by the Department of Administrative Services, Communications Division.

**Central Data Processing.** The central data processing operations maintained by the Department of Administrative Services, Data Processing Division, are accounted for in this fund.

**Transportation Services Bureau.** This fund accounts for the operations of the central motor pool, which is under the Department of Administrative Services, Transportation Services Bureau.

**Risk Management.** The activities of the Department of Administrative Services, Division of Risk Management, which include workers' compensation and general liability claims, and of the State Employees Insurance Fund, which include life and health insurance programs, are accounted for in this fund.

**Other Internal Service Funds.** This fund accounts for the micrographics services and warehousing of records by the Records Management Division of the Secretary of State, the activities of the Investment Council, and the temporary employee pool maintained by the Department of Administrative Services, Division of State Personnel.

State of Nebraska  
**COMBINING BALANCE SHEET**  
**INTERNAL SERVICE FUNDS**  
June 30, 1995

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES
<b>ASSETS</b>			
CURRENT ASSETS:			
Cash and Cash Equivalents	\$ 2,393	\$ 2,804	\$ 3,515
Receivables, net of allowance			
Accounts	167	-	23
Accrued Interest	30	35	44
Due from Other Funds	873	88	1,361
Inventories	1,732	-	442
Prepaid Items	-	392	302
TOTAL CURRENT ASSETS	<u>5,195</u>	<u>3,319</u>	<u>5,687</u>
Property, Plant and Equipment, net	<u>1,623</u>	<u>218</u>	<u>1,673</u>
TOTAL ASSETS	<u>\$ 6,818</u>	<u>\$ 3,537</u>	<u>\$ 7,360</u>
<b>LIABILITIES AND FUND EQUITY</b>			
CURRENT LIABILITIES:			
Accounts Payable and Accrued Liabilities	\$ 151	\$ 222	\$ 490
Deposits	-	-	667
Due to Other Funds	9	145	8
Claims Payable	-	-	-
Capital Lease Obligations	-	-	-
Deferred Revenue	-	-	-
TOTAL CURRENT LIABILITIES	<u>160</u>	<u>367</u>	<u>1,165</u>
NONCURRENT LIABILITIES:			
Capital Lease Obligations	-	-	-
Accrued Compensated Absences	137	210	180
Claims Payable	-	-	-
TOTAL NONCURRENT LIABILITIES	<u>137</u>	<u>210</u>	<u>180</u>
TOTAL LIABILITIES	<u>297</u>	<u>577</u>	<u>1,345</u>
FUND EQUITY:			
Contributed Capital	205	-	-
Retained Earnings	<u>6,316</u>	<u>2,960</u>	<u>6,015</u>
TOTAL FUND EQUITY	<u>6,521</u>	<u>2,960</u>	<u>6,015</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 6,818</u>	<u>\$ 3,537</u>	<u>\$ 7,360</u>



COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 2,991	\$ 6,669	\$ 2,964	\$33,763	\$ 959	\$ 56,058
301	32	15	-	346	884
40	75	38	422	10	694
1,091	4,662	227	20,804	337	29,443
-	-	4	-	-	2,178
-	-	-	-	117	811
<u>4,423</u>	<u>11,438</u>	<u>3,248</u>	<u>54,989</u>	<u>1,769</u>	<u>90,068</u>
<u>2,011</u>	<u>6,596</u>	<u>5,347</u>	<u>3</u>	<u>702</u>	<u>18,173</u>
<u>\$ 6,434</u>	<u>\$ 18,034</u>	<u>\$ 8,595</u>	<u>\$54,992</u>	<u>\$ 2,471</u>	<u>\$ 108,241</u>
\$ 571	\$ 1,344	\$ 85	\$ 287	\$ 180	\$ 3,330
-	-	-	-	-	667
25	59	49	19	5	319
-	-	-	10,042	-	10,042
-	3,502	-	-	76	3,578
<u>675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675</u>
<u>1,271</u>	<u>4,905</u>	<u>134</u>	<u>10,348</u>	<u>261</u>	<u>18,611</u>
-	2,389	-	-	330	2,719
94	847	44	6	92	1,610
-	-	-	19,806	-	19,806
<u>94</u>	<u>3,236</u>	<u>44</u>	<u>19,812</u>	<u>422</u>	<u>24,135</u>
<u>1,365</u>	<u>8,141</u>	<u>178</u>	<u>30,160</u>	<u>683</u>	<u>42,746</u>
-	1,824	-	8	-	2,037
<u>5,069</u>	<u>8,069</u>	<u>8,417</u>	<u>24,824</u>	<u>1,788</u>	<u>63,458</u>
<u>5,069</u>	<u>9,893</u>	<u>8,417</u>	<u>24,832</u>	<u>1,788</u>	<u>65,495</u>
<u>\$ 6,434</u>	<u>\$ 18,034</u>	<u>\$ 8,595</u>	<u>\$54,992</u>	<u>\$ 2,471</u>	<u>\$ 108,241</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS INTERNAL SERVICE FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	<b>CORRECTIONAL SERVICES</b>	<b>BUILDINGS AND GROUNDS</b>	<b>GENERAL SERVICES</b>
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 6,486	\$ 9,716	\$ 12,288
Other	-	114	8
<b>TOTAL OPERATING REVENUES</b>	<u>6,486</u>	<u>9,830</u>	<u>12,296</u>
<b>OPERATING EXPENSES:</b>			
Personal Services	1,369	1,575	1,959
Services and Supplies	4,041	8,337	9,805
Insurance Claims	-	-	-
Depreciation	127	93	622
<b>TOTAL OPERATING EXPENSES</b>	<u>5,537</u>	<u>10,005</u>	<u>12,386</u>
 Operating Income (Loss)	 <u>949</u>	 <u>(175)</u>	 <u>(90)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Interest Income	119	142	168
Gain (Loss) on Sale of Fixed Assets	4	7	(13)
Other	-	-	-
<b>TOTAL NONOPERATING REVENUES, NET</b>	<u>123</u>	<u>149</u>	<u>155</u>
 Net Income (Loss)	 1,072	 (26)	 65
 <b>RETAINED EARNINGS, JULY 1, AS RESTATED</b>	 <u>5,244</u>	 <u>2,986</u>	 <u>5,950</u>
<b>RETAINED EARNINGS, JUNE 30</b>	<u><u>\$ 6,316</u></u>	<u><u>\$ 2,960</u></u>	<u><u>\$ 6,015</u></u>

COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 13,349	\$ 34,306	\$ 2,915	\$ 67,809	\$ 5,616	\$ 152,485
198	30	-	-	281	631
<u>13,547</u>	<u>34,336</u>	<u>2,915</u>	<u>67,809</u>	<u>5,897</u>	<u>153,116</u>
794	7,088	420	145	4,445	17,795
12,191	20,255	1,240	1,769	974	58,612
-	-	-	66,383	-	66,383
948	4,503	1,937	-	162	8,392
<u>13,933</u>	<u>31,846</u>	<u>3,597</u>	<u>68,297</u>	<u>5,581</u>	<u>151,182</u>
(386)	2,490	(682)	(488)	316	1,934
151	208	185	1,745	36	2,754
2	5	644	-	7	656
-	(308)	(280)	-	(12)	(600)
<u>153</u>	<u>(95)</u>	<u>549</u>	<u>1,745</u>	<u>31</u>	<u>2,810</u>
(233)	2,395	(133)	1,257	347	4,744
5,302	5,674	8,550	23,567	1,441	58,714
<u>\$ 5,069</u>	<u>\$ 8,069</u>	<u>\$ 8,417</u>	<u>\$ 24,824</u>	<u>\$ 1,788</u>	<u>\$ 63,458</u>

State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS INTERNAL SERVICE FUNDS

For the Year Ended June 30, 1995

(Dollars in Thousands)

	CORRECTIONAL SERVICES	BUILDINGS AND GROUNDS	GENERAL SERVICES
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received from Customers	\$ 475	\$ 426	\$ 249
Cash Received from Interfund Charges	5,606	9,520	11,887
Cash Paid to Employees	(1,362)	(1,579)	(1,953)
Cash Paid to Suppliers	(4,506)	(7,305)	(8,520)
Cash Paid for Insurance Claims	-	-	-
Cash Paid for Interfund Services	(455)	(1,151)	(1,086)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>(242)</u>	<u>(89)</u>	<u>577</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Refund to Federal Government	-	-	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition and Construction of Capital Assets	(88)	(96)	(770)
Proceeds from Sale of Fixed Assets	4	6	113
Principal Paid on Capital Leases	-	-	-
Interest Paid on Capital Leases	-	-	-
NET CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(84)</u>	<u>(90)</u>	<u>(657)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest Income	117	138	160
NET CASH FLOWS FROM INVESTING ACTIVITIES	<u>117</u>	<u>138</u>	<u>160</u>
NET INCREASE (DECREASE) IN CASH	(209)	(41)	80
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	<u>2,602</u>	<u>2,845</u>	<u>3,435</u>
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	<u><u>\$ 2,393</u></u>	<u><u>\$ 2,804</u></u>	<u><u>\$ 3,515</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Operating Income (Loss)	<u>\$ 949</u>	<u>\$ (175)</u>	<u>\$ (90)</u>
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	127	93	622
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	21	8	30
(Increase) Decrease in Due from Other Funds	(426)	108	(327)
(Increase) Decrease in Inventories	(935)	-	184
(Increase) Decrease in Prepaid Expenses	-	(110)	(44)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	28	(182)	69
Increase (Decrease) in Due to Other Funds	(6)	169	133
Increase (Decrease) in Claims Payable	-	-	-
Increase (Decrease) in Deferred Revenue	-	-	-
Total Adjustments	<u>(1,191)</u>	<u>86</u>	<u>667</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ (242)</u></u>	<u><u>\$ (89)</u></u>	<u><u>\$ 577</u></u>

## NONCASH TRANSACTIONS:

Noncash transactions are investing and financing activities that affect assets and liabilities but do not result in cash receipts or payments. The following noncash transactions occurred during the year: Central Data Processing and Other Internal Service Funds acquired fixed assets through capital leases of \$2,270,000 and \$418,000, respectively, and Other Internal Service Fund received \$236,000 of services in exchange for investment business.

COMMUNICATIONS	CENTRAL DATA PROCESSING	TRANSPORTATION SERVICES	RISK MANAGEMENT	OTHER INTERNAL SERVICE	TOTALS
\$ 1,641	\$ 294	\$ -	\$ 1,637	\$ 920	\$ 5,642
11,603	32,360	3,026	66,156	4,777	144,935
(772)	(7,050)	(413)	(139)	(4,486)	(17,754)
(11,842)	(14,902)	(573)	(1,216)	(234)	(49,098)
-	-	-	(68,188)	-	(68,188)
(481)	(4,332)	(655)	(288)	(537)	(8,985)
149	6,370	1,385	(2,038)	440	6,552
-	-	(420)	-	-	(420)
-	-	(420)	-	-	(420)
(585)	(564)	(2,480)	(2)	(232)	(4,817)
3	7	878	-	7	1,018
-	(3,992)	-	-	(12)	(4,004)
-	(366)	-	-	(12)	(378)
(582)	(4,915)	(1,602)	(2)	(249)	(8,181)
146	176	187	1,690	33	2,647
146	176	187	1,690	33	2,647
(287)	1,631	(450)	(350)	224	598
3,278	5,038	3,414	34,113	735	55,460
\$ 2,991	\$ 6,669	\$ 2,964	\$ 33,763	\$ 959	\$ 56,058
\$ (386)	\$ 2,490	\$ (682)	\$ (488)	\$ 316	\$ 1,934
948	4,503	1,937	-	162	8,392
(75)	8	(1)	-	(12)	(21)
(111)	(1,690)	112	(16)	78	(2,272)
-	741	-	-	-	(10)
-	-	-	-	(51)	(205)
(119)	296	9	252	(20)	333
9	22	10	19	(3)	353
-	-	-	(1,805)	-	(1,805)
(117)	-	-	-	(30)	(147)
535	3,880	2,067	(1,550)	124	4,618
\$ 149	\$ 6,370	\$ 1,385	\$ (2,038)	\$ 440	\$ 6,552

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# TRUST AND AGENCY FUNDS

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Trust and agency funds are used to account for assets held by the State of Nebraska in a fiduciary capacity. The State has the following trust and agency funds:

## EXPENDABLE TRUST FUNDS

**Unemployment Compensation Fund.** This fund accounts for the State's unemployment compensation benefits. Revenues consist of taxes assessed on employers to pay benefits to qualified unemployed persons.

**Second Injury Fund.** This fund accounts for assessments from insurance carriers and self-insurers. Compensation payments are made to employees on the basis of combined disabilities, part of which were pre-existing at the time of employment.

**Vocational Rehabilitation Fund.** This fund provides rehabilitation services to employees to restore the employee to gainful employment. Funding comes from assessments to insurance companies and self-insurers.

**Canteen and Welfare Fund.** This fund provides general entertainment at correctional facilities for youth and adult offenders. Revenues are from vending sales, projects, donations and gifts.

**Escheat Trust Fund.** This fund makes payments to rightful owners for financial assets turned over to the State Treasurer because the assets were left unclaimed at corporations, business associations, banking and financial organizations, insurance companies, utilities and public authorities. If the rightful owners cannot be located, excess funds are transferred to the Permanent School Fund.

**Other Expendable Trust Funds.** Amos Trust, Agriculture and University Land Lease, Public Service Commission Trust Account, and Miscellaneous Expendable Trust.

## NONEXPENDABLE TRUST FUNDS

**Aeronautics Trust Fund.** This fund receives proceeds from the sale of state-owned airfields. Investment income is used to pay for expenses of the Department of Aeronautics.

**Nebraska Veterans' Aid Fund.** This fund accounts for the investment activity of a General Fund contribution made in a prior year. Earnings on the investment are used to provide emergency financial assistance to eligible veterans and dependents.

**Permanent School Fund.** This fund receives proceeds from any sale of the school lands held in trust for public education, payments for easements and rights-of-way over these lands, royalties and severance taxes paid on oil, gas and minerals produced from this lands, escheats, unclaimed property and other items provided by law. The net income earned on this fund is distributed annually to the K - 12 public schools by the Commissioner of Education as provided by law.

**Permanent Endowment Fund.** This fund receives the proceeds of sales of land and investments endowed to the University by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds, which is a part of the primary government. Income on these funds is used for support and maintenance of the University.

**Agriculture Endowment Fund.** This fund receives the proceeds of sales of land and investments endowed to the University Agriculture College by the Federal Government. This fund is under the control of the Board of Educational Lands and Funds which is a part of the primary government. Income from this fund is used for support and maintenance of the Agriculture College.

**Other Nonexpendable Trust Funds.** Normal School Endowment, J.J. Soukup, and Miscellaneous Nonexpendable Trust.

## PENSION TRUST FUNDS

State Employees' Retirement, County Employees' Retirement, Judges' Retirement, State Patrol Retirement, and School Retirement Systems.

## **AGENCY FUNDS**

**Local Government Fund.** This fund receives money for redistribution to counties and other political subdivisions.

**Payroll Withholding Fund.** This fund receives all payroll funds needed to pay employees, the Federal Government, other State agencies, and payroll vendors.

**Deferred Compensation Fund.** This fund accounts for activities in the State's deferred compensation plan organized in accordance with Section 457 of the Internal Revenue Code.

**Other Agency Funds.** Ohio College Library Service, Severance Tax Fund, Court Ordered Settlement, County Court Trust Funds, the Department of Correctional Services Inmate Trust Funds, and the Department of Public Institutions Trust Funds.



Motorgraders are still employed to pack down and smooth out the road base before laying the surface coating.



This self-propelled loader-scraper is used by contractors when they construct the roads.



## State of Nebraska

# COMBINING BALANCE SHEET

## ALL TRUST AND AGENCY FUNDS

June 30, 1995

(Dollars in Thousands)

	EXPENDABLE TRUST	PENSION TRUST	NONEXPENDABLE TRUST	AGENCY	TOTALS
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 198,628	\$ 22,221	\$ 15,197	\$ 42,227	\$ 278,273
Investments	25	2,500,330	163,537	57,981	2,721,873
Loans, Accounts and Other Receivables, net	14,639	15,966	1,492	-	32,097
Due from Other Funds	-	12,010	-	-	12,010
Prepaid Expenses	-	13	-	-	13
Other	2,680	-	-	-	2,680
<b>TOTAL ASSETS</b>	<b>\$ 215,972</b>	<b>\$ 2,550,540</b>	<b>\$ 180,226</b>	<b>\$ 100,208</b>	<b>\$ 3,046,946</b>
<b>LIABILITIES AND FUND BALANCES:</b>					
<b>LIABILITIES:</b>					
Accounts Payable and Accrued Liabilities	\$ 4,107	\$ 1,094	\$ 163	\$ -	\$ 5,364
Due to Other Governments	-	-	-	23,533	23,533
Employee Withholding and State Contributions	-	-	-	2,265	2,265
Deposits	960	-	180	-	1,140
Deferred Compensation Payable	-	-	-	57,981	57,981
Due to Other Funds	-	38	64	3,084	3,186
Accrued Compensated Absences	-	83	-	-	83
Other	153	-	-	13,345	13,498
<b>TOTAL LIABILITIES</b>	<b>5,220</b>	<b>1,215</b>	<b>407</b>	<b>100,208</b>	<b>107,050</b>
<b>FUND BALANCES:</b>					
Reserved For:					
Unemployment Compensation Benefits	200,944	-	-	-	200,944
Endowment Principal	-	-	163,627	-	163,627
Pension Benefits	-	2,549,325	-	-	2,549,325
Unreserved	9,808	-	16,192	-	26,000
<b>TOTAL FUND BALANCES</b>	<b>210,752</b>	<b>2,549,325</b>	<b>179,819</b>	<b>-</b>	<b>2,939,896</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 215,972</b>	<b>\$ 2,550,540</b>	<b>\$ 180,226</b>	<b>\$ 100,208</b>	<b>\$ 3,046,946</b>

State of Nebraska

# COMBINING BALANCE SHEET EXPENDABLE TRUST FUNDS

June 30, 1995

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$ 188,181	\$ 2,632
Investments, at Cost	-	-
Other Receivables, net of allowance	14,500	34
Other	-	-
TOTAL ASSETS	<u>\$ 202,681</u>	<u>\$ 2,666</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>LIABILITIES:</b>		
Accounts Payable and Accrued Liabilities	\$ 1,592	\$ -
Deposits	36	-
Other	109	-
TOTAL LIABILITIES	<u>1,737</u>	<u>-</u>
<b>FUND BALANCES:</b>		
Reserved for Unemployment Compensation Benefits	200,944	-
Unreserved	-	2,666
TOTAL FUND BALANCES	<u>200,944</u>	<u>2,666</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 202,681</u>	<u>\$ 2,666</u>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ 2,795	\$ 1,698	\$ 2,497	\$ 825	\$ 198,628
37	22	32	25	25
-	-	1,756	14	14,639
<u>\$ 2,832</u>	<u>\$ 1,720</u>	<u>\$ 4,285</u>	<u>924</u>	<u>2,680</u>
			<u>\$ 1,788</u>	<u>\$ 215,972</u>
\$ -	\$ 236	\$ 2,249	\$ 30	\$ 4,107
-	44	-	924	960
-	280	2,249	-	153
			<u>954</u>	<u>5,220</u>
2,832	1,440	2,036	-	200,944
<u>2,832</u>	<u>1,440</u>	<u>2,036</u>	<u>834</u>	<u>9,808</u>
			<u>834</u>	<u>210,752</u>
<u>\$ 2,832</u>	<u>\$ 1,720</u>	<u>\$ 4,285</u>	<u>\$ 1,788</u>	<u>\$ 215,972</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES EXPENDABLE TRUST FUNDS**

For the Year Ended June 30, 1995

(Dollars in Thousands)

	UNEMPLOYMENT COMPENSATION	SECOND INJURY
<b>REVENUES:</b>		
Unemployment Taxes	\$ 39,156	\$ -
Charges for Services	-	-
Investment Income	12,327	146
Rents and Royalties	-	-
Escheat Revenue	-	-
Donations	-	-
Other	-	5
<b>TOTAL REVENUES</b>	<b>51,483</b>	<b>151</b>
<b>EXPENDITURES:</b>		
General Government	-	-
Education	-	-
Health and Social Services	-	547
Unemployment Claims	42,958	-
<b>TOTAL EXPENDITURES</b>	<b>42,958</b>	<b>547</b>
Excess of Revenues Over (Under) Expenditures	8,525	(396)
<b>OTHER FINANCING SOURCES (USES):</b>		
Operating Transfers Out	-	(6)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(6)</b>
Excess of Revenues and Other Sources Over (Under) Expenditures and Other Uses	8,525	(402)
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>192,419</b>	<b>3,068</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 200,944</b>	<b>\$ 2,666</b>

VOCATIONAL REHABILITATION	CANTEEN AND WELFARE	ESCHEAT TRUST	OTHER	TOTALS
\$ -	\$ -	\$ -	\$ -	\$ 39,156
-	2,923	-	-	2,923
162	82	92	42	12,851
-	8	-	328	336
-	-	2,057	-	2,057
-	350	-	261	611
-	39	-	164	208
<u>162</u>	<u>3,402</u>	<u>2,149</u>	<u>795</u>	<u>58,142</u>
-	-	372	-	372
-	-	-	746	746
623	3,312	-	-	4,482
-	-	-	-	42,958
<u>623</u>	<u>3,312</u>	<u>372</u>	<u>746</u>	<u>48,558</u>
<u>(461)</u>	<u>90</u>	<u>1,777</u>	<u>49</u>	<u>9,584</u>
<u>(203)</u>	<u>-</u>	<u>(1,074)</u>	<u>(81)</u>	<u>(1,364)</u>
<u>(203)</u>	<u>-</u>	<u>(1,074)</u>	<u>(81)</u>	<u>(1,364)</u>
(664)	90	703	(32)	8,220
<u>3,496</u>	<u>1,350</u>	<u>1,333</u>	<u>866</u>	<u>202,532</u>
<u>\$ 2,832</u>	<u>\$ 1,440</u>	<u>\$ 2,036</u>	<u>\$ 834</u>	<u>\$ 210,752</u>

State of Nebraska

# **COMBINING BALANCE SHEET** **PENSION AND NONEXPENDABLE TRUST FUNDS**

June 30, 1995

(Dollars in Thousands)

	PENSION TRUST FUNDS					TOTALS
	STATE	COUNTY	SCHOOL	JUDGES	STATE	
	EMPLOYEES	EMPLOYEES	SCHOOL	JUDGES	STATE	
	RETIREMENT	RETIREMENT	RETIREMENT	RETIREMENT	PATROL	
ASSETS:						
Cash and Cash Equivalents	\$ -	\$ -	\$ 21,455	\$ 218	\$ 548	\$ 22,221
Investments	454,225	94,898	1,809,185	44,754	97,268	2,500,330
Other Receivables, net of allowance	-	-	15,255	255	456	15,966
Due from Other Funds	-	-	10,818	704	488	12,010
Prepaid Items	-	-	-	-	13	13
<b>TOTAL ASSETS</b>	<b>\$ 454,225</b>	<b>\$ 94,898</b>	<b>\$ 1,856,713</b>	<b>\$ 45,931</b>	<b>\$ 98,773</b>	<b>\$ 2,550,540</b>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts Payable and Accrued Liabilities	\$ -	\$ -	\$ 1,078	\$ 4	\$ 12	\$ 1,094
Deposits	-	-	-	-	-	-
Due to Other Funds	-	-	38	-	-	38
Accrued Compensated Absences	-	-	77	3	3	83
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>-</b>	<b>1,193</b>	<b>7</b>	<b>15</b>	<b>1,215</b>
FUND BALANCES:						
Reserved for:						
Endowment Principal	-	-	-	-	-	-
Pension Benefits	454,225	94,898	1,855,520	45,924	98,758	2,549,325
Unreserved	-	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>454,225</b>	<b>94,898</b>	<b>1,855,520</b>	<b>45,924</b>	<b>98,758</b>	<b>2,549,325</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 454,225</b>	<b>\$ 94,898</b>	<b>\$ 1,856,713</b>	<b>\$ 45,931</b>	<b>\$ 98,773</b>	<b>\$ 2,550,540</b>

**NONEXPENDABLE TRUST FUNDS**

<b>AERONAUTICS TRUST</b>	<b>NEBRASKA VETERANS AID</b>	<b>PERMANENT SCHOOL FUND</b>	<b>PERMANENT ENDOWMENT</b>	<b>AGRICULTURE ENDOWMENT</b>	<b>OTHER</b>	<b>TOTALS</b>
\$ -	\$ 2,040	\$ 12,896	\$ 31	\$ 21	\$ 209	\$ 15,197
6,175	15,947	139,706	444	976	289	163,537
59	145	1,274	3	7	4	1,492
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 6,234</u>	<u>\$ 18,132</u>	<u>\$ 153,876</u>	<u>\$ 478</u>	<u>\$ 1,004</u>	<u>\$ 502</u>	<u>\$ 180,226</u>
\$ -	\$ -	\$ 128	\$ 10	\$ 22	\$ 3	\$ 163
-	-	30	-	-	150	180
59	-	5	-	-	-	64
-	-	-	-	-	-	-
<u>59</u>	<u>-</u>	<u>163</u>	<u>10</u>	<u>22</u>	<u>153</u>	<u>407</u>
6,175	15,947	139,706	468	982	349	163,627
-	-	-	-	-	-	-
-	2,185	14,007	-	-	-	16,192
<u>6,175</u>	<u>18,132</u>	<u>153,713</u>	<u>468</u>	<u>982</u>	<u>349</u>	<u>179,819</u>
<u>\$ 6,234</u>	<u>\$ 18,132</u>	<u>\$ 153,876</u>	<u>\$ 478</u>	<u>\$ 1,004</u>	<u>\$ 502</u>	<u>\$ 180,226</u>

State of Nebraska

# **COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES PENSION AND NONEXPENDABLE TRUST FUNDS**

For the Year Ended June 30, 1995

(Dollars in thousands)

	PENSION TRUST FUNDS					TOTALS
	STATE EMPLOYEES RETIREMENT	COUNTY EMPLOYEES RETIREMENT	SCHOOL RETIREMENT	JUDGES RETIREMENT	STATE PATROL RETIREMENT	
<b>OPERATING REVENUES:</b>						
Member Contributions	\$ 12,937	\$ 4,049	\$ 59,501	\$ 547	\$ 1,133	\$ 78,167
State Contributions	20,182	-	10,744	659	1,415	33,000
Political Subdivision Contributions	-	6,041	59,881	-	-	65,922
Interest Income	28,552	5,891	67,497	1,741	3,793	107,474
Dividend Income	-	-	19,425	502	1,117	21,044
Gain (Loss) on Sale of Investments, net	381	131	61,169	1,718	3,874	67,273
Rents and Royalties	-	-	-	-	-	-
Other	-	14	302	451	-	767
<b>TOTAL OPERATING REVENUES</b>	<b>62,052</b>	<b>16,126</b>	<b>278,519</b>	<b>5,618</b>	<b>11,332</b>	<b>373,647</b>
<b>OPERATING EXPENSES:</b>						
Personal Services	-	-	815	27	28	870
Services and Supplies	1,168	262	5,235	135	296	7,096
Benefits	17,023	3,904	49,926	2,309	4,320	77,482
Refunds	556	192	5,497	-	10	6,255
Financial Assistance	-	-	-	-	-	-
<b>TOTAL OPERATING EXPENSES</b>	<b>18,747</b>	<b>4,358</b>	<b>61,473</b>	<b>2,471</b>	<b>4,654</b>	<b>91,703</b>
Operating Income	43,305	11,768	217,046	3,147	6,678	281,944
<b>OPERATING TRANSFERS:</b>						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-
Net Income	43,305	11,768	217,046	3,147	6,678	281,944
<b>FUND BALANCES, JULY 1, AS RESTATED</b>	<b>410,920</b>	<b>83,130</b>	<b>1,638,474</b>	<b>42,777</b>	<b>92,080</b>	<b>2,267,381</b>
<b>FUND BALANCES, JUNE 30</b>	<b>\$ 454,225</b>	<b>\$ 94,898</b>	<b>\$ 1,855,520</b>	<b>\$ 45,924</b>	<b>\$ 98,758</b>	<b>\$ 2,549,325</b>



**NONEXPENDABLE TRUST FUNDS**

<b>AERONAUTICS TRUST</b>	<b>NEBRASKA VETERANS AID</b>	<b>PERMANENT SCHOOL FUND</b>	<b>PERMANENT ENDOWMENT</b>	<b>AGRICULTURE ENDOWMENT</b>	<b>OTHER</b>	<b>TOTALS</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
535	845	7,055	22	46	25	8,528
-	261	2,116	7	16	9	2,409
3	610	4,965	17	37	5	5,637
-	-	20,277	-	-	-	20,277
-	4	547	-	-	(150)	401
<u>538</u>	<u>1,720</u>	<u>34,960</u>	<u>46</u>	<u>99</u>	<u>(111)</u>	<u>37,252</u>
-	-	1,161	-	-	-	1,161
2	4	1,020	26	63	23	1,138
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	911	25,850	-	-	-	26,761
<u>2</u>	<u>915</u>	<u>28,031</u>	<u>26</u>	<u>63</u>	<u>23</u>	<u>29,060</u>
536	805	6,929	20	36	(134)	8,192
-	-	1,155	-	-	-	1,155
(533)	-	-	-	-	-	(533)
3	805	8,084	20	36	(134)	8,814
<u>6,172</u>	<u>17,327</u>	<u>145,629</u>	<u>448</u>	<u>946</u>	<u>483</u>	<u>171,005</u>
<u>\$ 6,175</u>	<u>\$ 18,132</u>	<u>\$ 153,713</u>	<u>\$ 468</u>	<u>\$ 982</u>	<u>\$ 349</u>	<u>\$ 179,819</u>

State of Nebraska

# COMBINING STATEMENT OF CASH FLOWS NONEXPENDABLE TRUST FUNDS

For the Year Ended June 30, 1995

(Dollars in Thousands)

	AERONAUTICS TRUST	NEBRASKA VETERANS AID
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash Received from Customers	\$ -	\$ 4
Cash Paid to Employees	-	-
Cash Paid to Suppliers	(2)	(4)
Cash Paid for Financial Assistance	-	(911)
Cash Paid for Interfund Services	-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES	(2)	(911)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Operating Transfers In	-	-
Operating Transfers Out	(559)	-
NET CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	(559)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Investment Securities	(1,434)	(8,198)
Proceeds from Sale of Investment Securities	1,434	8,196
Interest and Dividend Income	524	1,077
NET CASH FLOWS FROM INVESTING ACTIVITIES	524	1,075
NET INCREASE (DECREASE) IN CASH	(37)	164
<b>CASH AND CASH EQUIVALENTS, JULY 1</b>	37	1,876
<b>CASH AND CASH EQUIVALENTS, JUNE 30</b>	\$ -	\$ 2,040
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Operating Income	\$ 536	\$ 805
Adjustments to reconcile operating income to net cash flows from operating activities:		
Interest Income	(535)	(845)
Dividend Income	-	(261)
Gain on Sale of Investments	(3)	(610)
Change in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	-	-
Increase (Decrease) in Accounts Payable and Accrued Liabilities	-	-
Increase (Decrease) in Deposits	-	-
Increase (Decrease) in Due to Other Funds	-	-
Total Adjustments	(538)	(1,716)
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	\$ (2)	\$ (911)

PERMANENT SCHOOL FUND	PERMANENT ENDOWMENT	AGRICULTURE ENDOWMENT	OTHER	TOTALS
\$ 20,972	\$ -	\$ -	\$ -	\$ 20,976
(1,161)	-	-	-	(1,161)
(886)	(27)	(59)	(23)	(1,001)
(25,850)	-	-	-	(26,761)
(100)	-	-	-	(100)
<u>(7,025)</u>	<u>(27)</u>	<u>(59)</u>	<u>(23)</u>	<u>(8,047)</u>
1,155	-	-	-	1,155
-	-	-	-	(559)
<u>1,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>596</u>
(70,320)	(227)	(499)	(86)	(80,764)
67,827	228	499	86	78,270
8,939	28	60	33	10,661
<u>6,446</u>	<u>29</u>	<u>60</u>	<u>33</u>	<u>8,167</u>
576	2	1	10	716
<u>12,320</u>	<u>29</u>	<u>20</u>	<u>199</u>	<u>14,481</u>
<u>\$ 12,896</u>	<u>\$ 31</u>	<u>\$ 21</u>	<u>\$ 209</u>	<u>\$ 15,197</u>
\$ 6,929	\$ 20	\$ 36	\$ (134)	\$ 8,192
(7,055)	(22)	(46)	(25)	(8,528)
(2,116)	(7)	(16)	(9)	(2,409)
(4,965)	(17)	(37)	(5)	(5,637)
148	-	-	-	148
15	(1)	4	-	18
16	-	-	150	166
3	-	-	-	3
<u>(13,954)</u>	<u>(47)</u>	<u>(95)</u>	<u>111</u>	<u>(16,239)</u>
<u>\$ (7,025)</u>	<u>\$ (27)</u>	<u>\$ (59)</u>	<u>\$ (23)</u>	<u>\$ (8,047)</u>

State of Nebraska  
**COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES  
ALL AGENCY FUNDS**  
For the Year Ended June 30, 1995

(Dollars in Thousands)	BALANCE JULY 1, 1994	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1995
<b>LOCAL GOVERNMENT FUND</b>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 24,750</u>	<u>\$ 194,214</u>	<u>\$ 195,513</u>	<u>\$ 23,451</u>
LIABILITIES				
Due to Other Governments	<u>\$ 24,750</u>	<u>\$ 194,214</u>	<u>\$ 195,513</u>	<u>\$ 23,451</u>
<b>PAYROLL WITHHOLDING FUND</b>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 5,311</u>	<u>\$ 1,387,122</u>	<u>\$ 1,387,002</u>	<u>\$ 5,431</u>
LIABILITIES				
Due to Other Governments	\$ 62	\$ 247,213	\$ 247,193	\$ 82
Employee Withholding and State Contributions	2,296	1,104,566	1,104,597	2,265
Due to Other Funds	2,953	35,343	35,212	3,084
TOTAL LIABILITIES	<u>\$ 5,311</u>	<u>\$ 1,387,122</u>	<u>\$ 1,387,002</u>	<u>\$ 5,431</u>
<b>DEFERRED COMPENSATION</b>				
ASSETS				
Cash and Cash Equivalents	\$ -	\$ 5,737	\$ 5,737	\$ -
Investments	<u>47,831</u>	<u>12,914</u>	<u>2,764</u>	<u>57,981</u>
TOTAL ASSETS	<u>\$ 47,831</u>	<u>\$ 18,651</u>	<u>\$ 8,501</u>	<u>\$ 57,981</u>
LIABILITIES				
Deferred Compensation Payable	<u>\$ 47,831</u>	<u>\$ 18,651</u>	<u>\$ 8,501</u>	<u>\$ 57,981</u>
<b>OTHER FUNDS</b>				
ASSETS				
Cash and Cash Equivalents	<u>\$ 11,651</u>	<u>\$ 87,156</u>	<u>\$ 85,462</u>	<u>\$ 13,345</u>
LIABILITIES				
Other	<u>\$ 11,651</u>	<u>\$ 87,156</u>	<u>\$ 85,462</u>	<u>\$ 13,345</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
ASSETS				
Cash and Cash Equivalents	\$ 41,712	\$ 1,674,229	\$ 1,673,714	\$ 42,227
Investments	<u>47,831</u>	<u>12,914</u>	<u>2,764</u>	<u>57,981</u>
TOTAL ASSETS	<u>\$ 89,543</u>	<u>\$ 1,687,143</u>	<u>\$ 1,676,478</u>	<u>\$ 100,208</u>
LIABILITIES				
Due to Other Governments	\$ 24,812	\$ 441,427	\$ 442,706	\$ 23,533
Employee Withholding and State Contributions	2,296	1,104,566	1,104,597	2,265
Deferred Compensation Payable	47,831	18,651	8,501	57,981
Due to Other Funds	2,953	35,343	35,212	3,084
Other	11,651	87,156	85,462	13,345
TOTAL LIABILITIES	<u>\$ 89,543</u>	<u>\$ 1,687,143</u>	<u>\$ 1,676,478</u>	<u>\$ 100,208</u>

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## **GENERAL FIXED ASSETS ACCOUNT GROUP**

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The General Fixed Assets Account Group is maintained to account for fixed assets acquired or constructed for used by the State, other than those accounted for in proprietary funds, fiduciary funds, and College and University funds.

State of Nebraska  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY FUNCTION**  
June 30, 1995

(Dollars in Thousands)

<b>FUNCTION</b>	<b>LAND</b>	<b>BUILDINGS</b>	<b>EQUIPMENT</b>	<b>TOTALS</b>
General Government	\$ 2,395	\$ 59,969	\$ 5,326	\$ 67,690
Conservation of Natural Resources	28,442	21,276	19,916	69,634
Culture - Recreation	1,310	2,394	452	4,156
Economic Development and Assistance	146	15,924	1,685	17,755
Education	-	10,220	33,015	43,235
Health and Social Services	77	40,578	14,253	54,908
Public Safety	968	86,802	19,661	107,431
Regulation of Business and Professions	-	86	3,647	3,733
Transportation	744	21,347	88,935	111,026
<b>TOTAL BY FUNCTION</b>	<b>\$ 34,082</b>	<b>\$ 258,596</b>	<b>\$ 186,890</b>	<b>479,568</b>
Construction in progress				5,808
<b>TOTAL GENERAL FIXED ASSETS</b>				<b>\$ 485,376</b>

State of Nebraska  
**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS**  
**BY FUNCTION**  
For the Year Ended June 30, 1995

(Dollars in Thousands)

<b>FUNCTION</b>	<b>BALANCE JULY 1, 1994</b>	<b>ADDITIONS</b>	<b>DELETIONS</b>	<b>BALANCE JUNE 30, 1995</b>
General Government	\$ 67,746	\$ 1,346	\$ 1,402	\$ 67,690
Conservation of Natural Resources	64,582	5,923	871	69,634
Culture - Recreation	4,357	94	295	4,156
Economic Development and Assistance	17,931	1,298	1,474	17,755
Education	42,390	2,184	1,339	43,235
Health and Social Services	53,472	1,827	391	54,908
Public Safety	105,258	3,885	1,712	107,431
Regulation of Business and Professions	3,075	986	328	3,733
Transportation	109,809	6,157	4,940	111,026
<b>TOTAL BY FUNCTION</b>	<b>468,620</b>	<b>23,700</b>	<b>12,752</b>	<b>479,568</b>
Construction in progress	4,237	2,553	982	5,808
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$472,857</b>	<b>\$26,253</b>	<b>\$13,734</b>	<b>\$ 485,376</b>

State of Nebraska  
**SCHEDULE OF GENERAL FIXED ASSETS**  
**BY SOURCE**  
June 30, 1995

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(Dollars in Thousands)

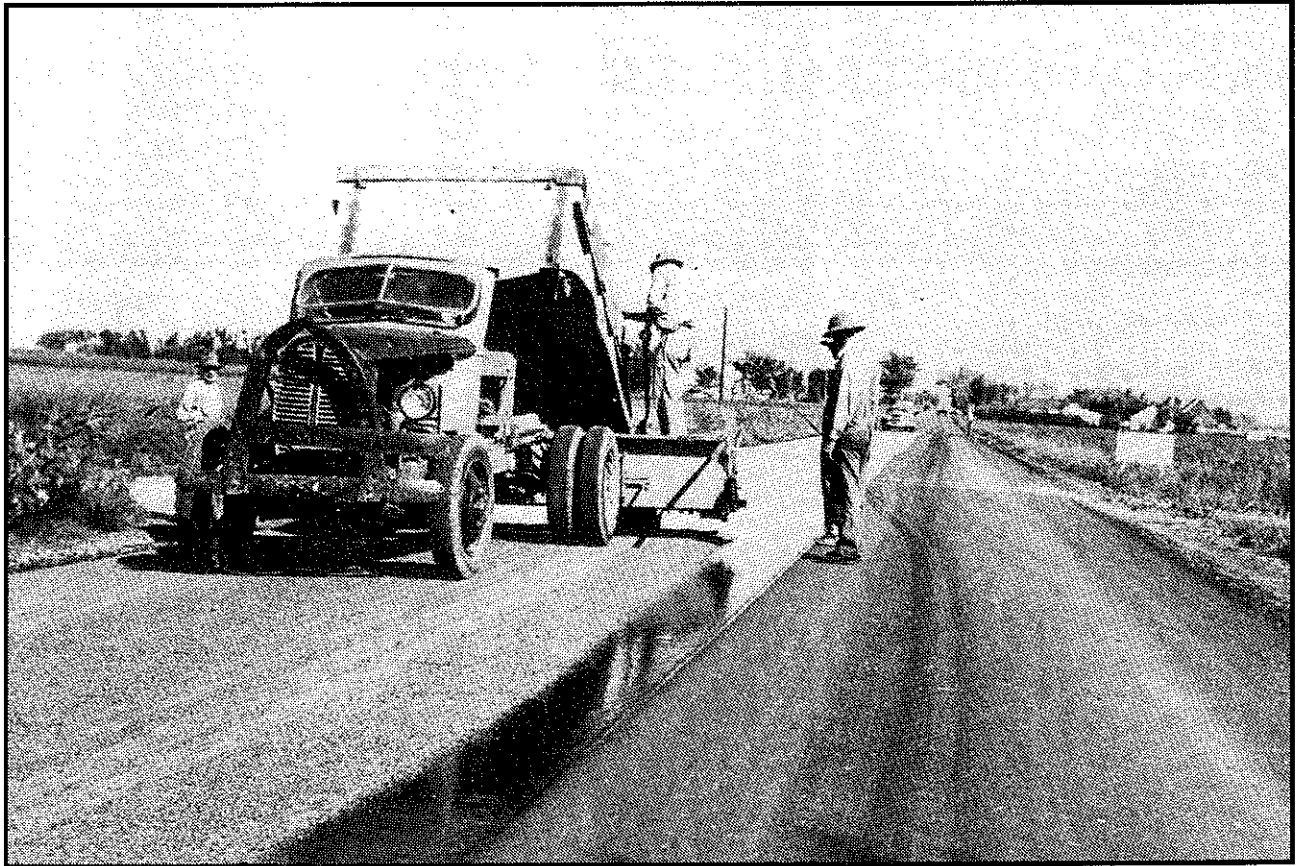
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**GENERAL FIXED ASSETS:**

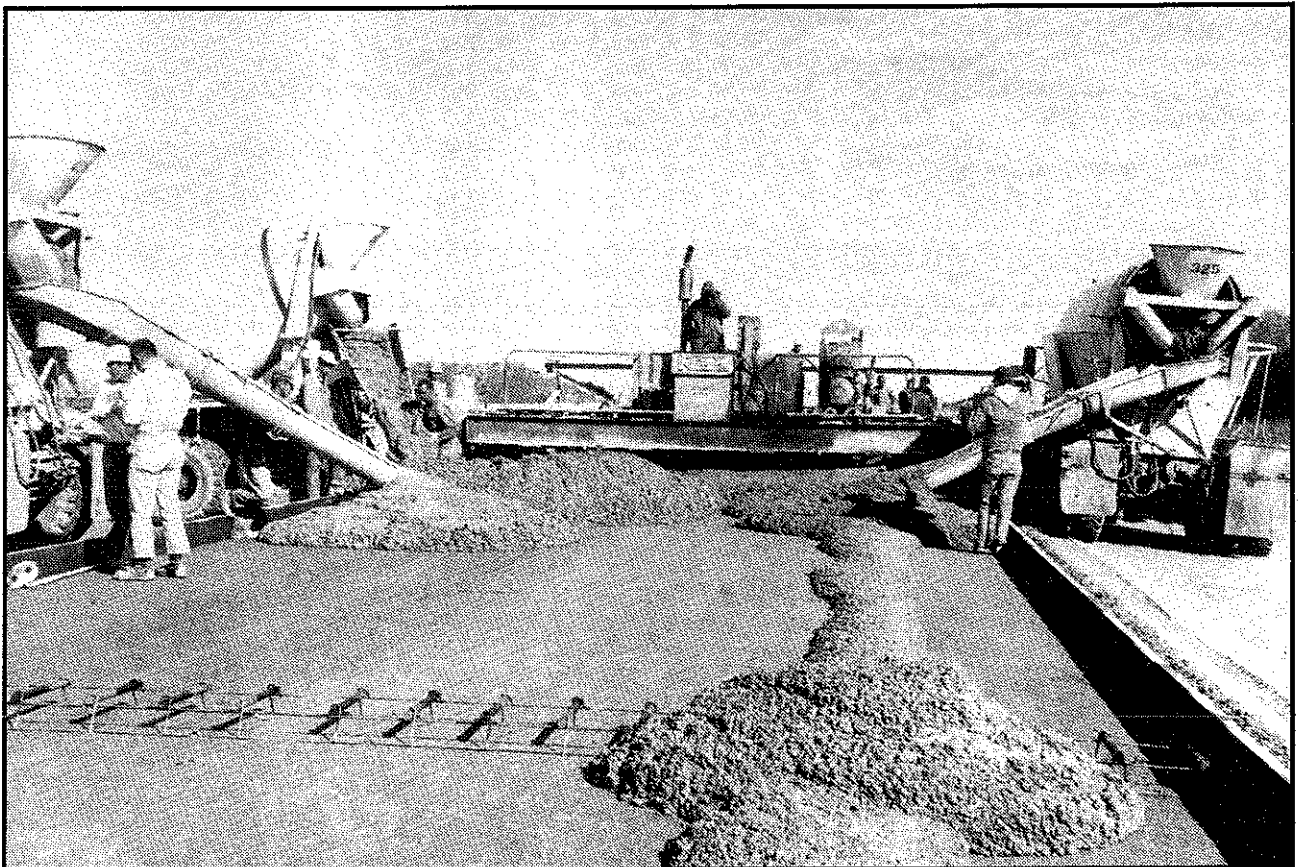
Land	\$ 34,082
Buildings	258,596
Equipment	186,890
Construction In Progress	<u>5,808</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 485,376</u>

**INVESTMENT IN GENERAL FIXED ASSETS:**

General Fund	\$ 156,464
Special Revenue Funds	163,640
Capital Projects Funds	59,884
Trust and Agency Funds	1,023
Donations	7,179
Original Inventory – Source Uncertain	<u>97,186</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS	<u>\$ 485,376</u>



This shows an armor coating operation on a project near Gering in 1948.



This road construction requires several workers and cement trucks but only one machine and operator to distribute the concrete.



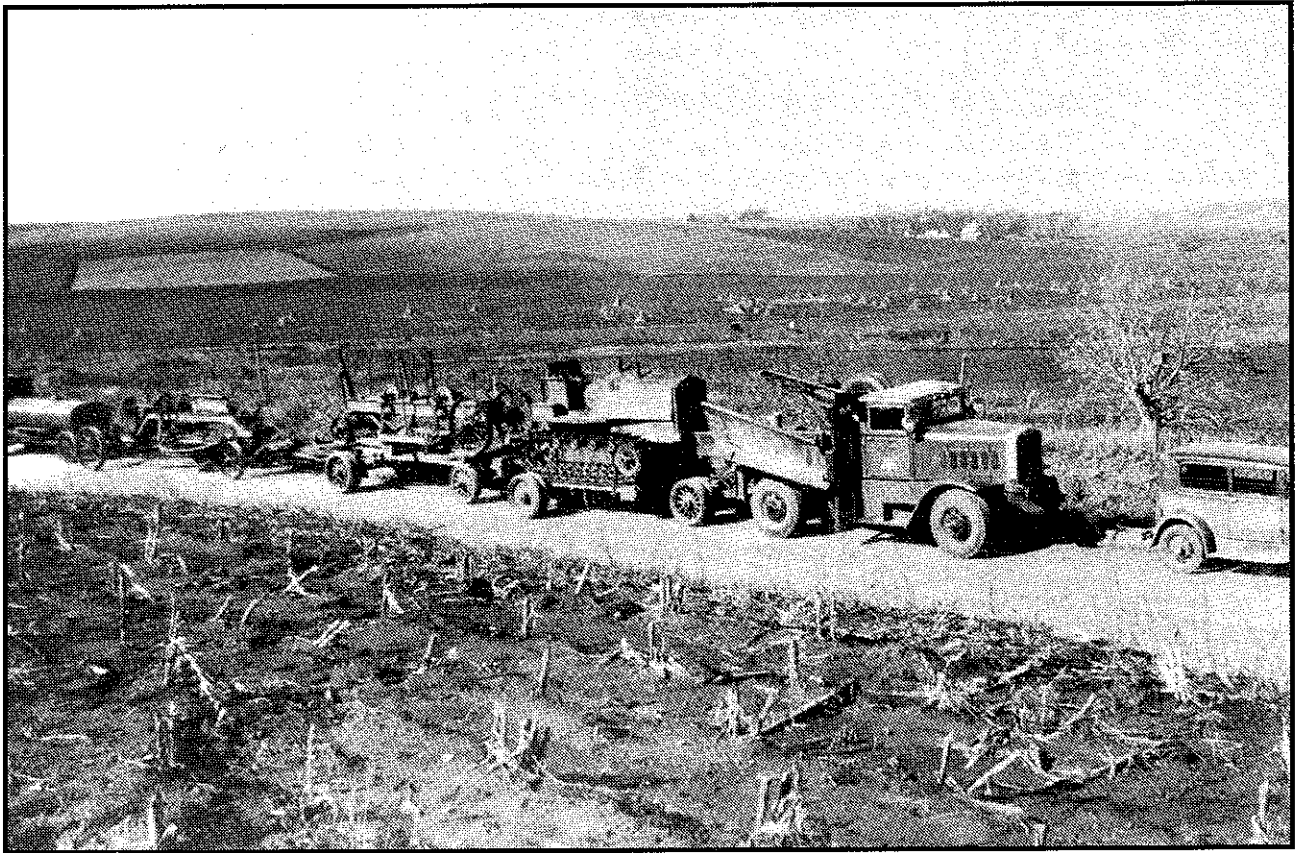
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## COMPONENT UNITS

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The Component Units are organizations which are legally separate from the State for which the State is financially accountable, or for which the nature and significance of their relationship with the State are such that exclusion would cause the State's financial statements to be misleading or incomplete. The Component Units consist of the College and University Funds.

The College and University Funds are used to account for transactions relating to public institutions of higher education. These include the University of Nebraska at all locations, the State Colleges, the University Facilities Corporation, and the State College Facilities Corporation. The University is governed by the University of Nebraska Board of Regents and the State Colleges are governed by the Board of Trustees of the State Colleges.



This convoy of trucks is moving grading outfits and equipment into winter quarters in 1934.



This view of Highway 235 in 1922 shows how many highways looked prior to grading and surfacing.

## State of Nebraska

# COMBINING BALANCE SHEET

## DISCRETELY PRESENTED COMPONENT UNITS

### ALL COLLEGE AND UNIVERSITY FUNDS

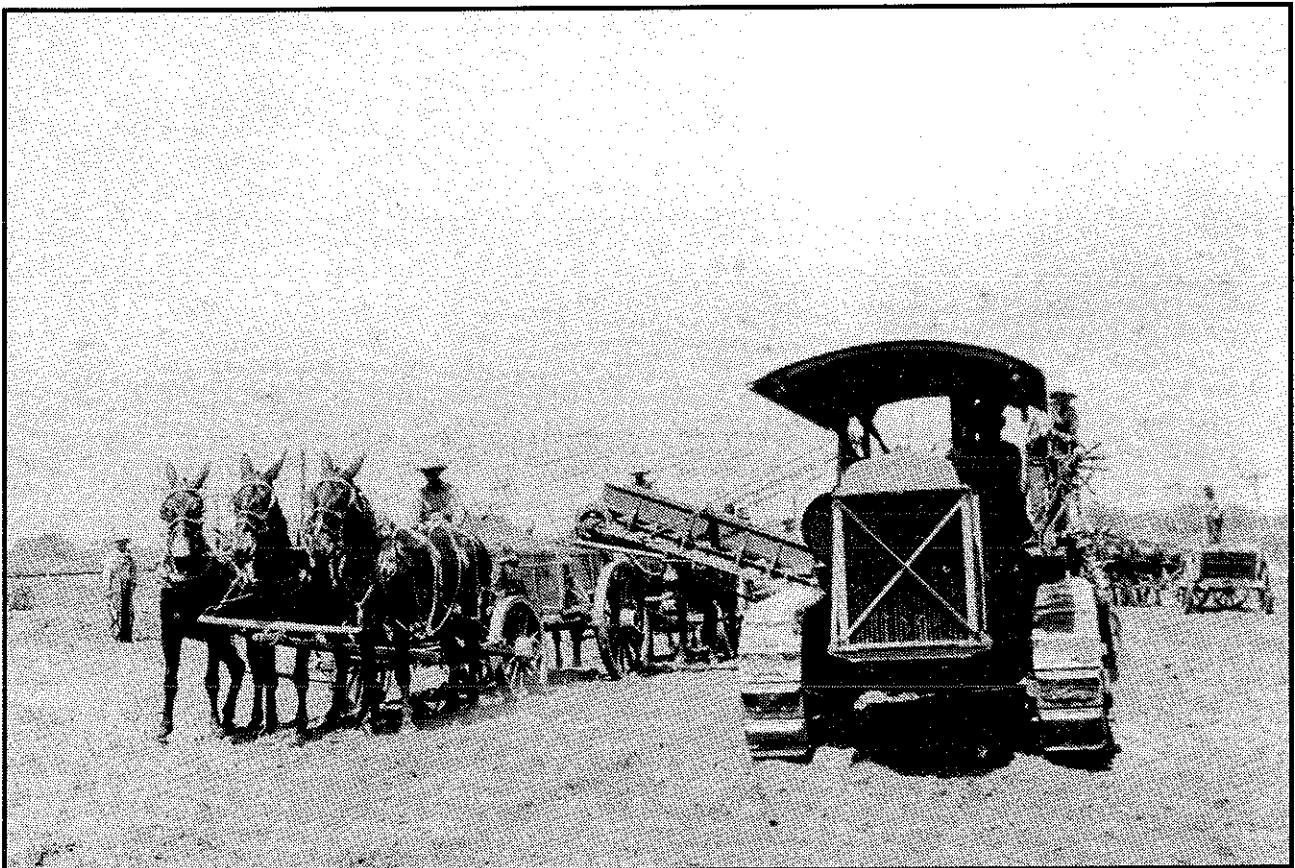
June 30, 1995

(Dollars in Thousands)

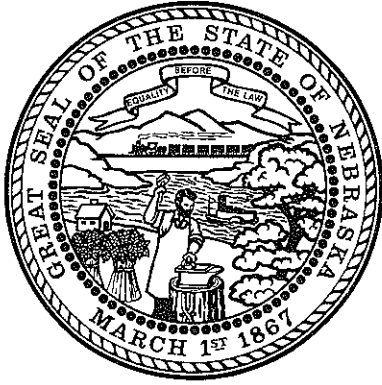
	CURRENT FUNDS		LOAN	ENDOWMENT	PLANT	AGENCY	
	UNRESTRICTED	RESTRICTED	FUNDS	FUNDS	FUNDS	FUNDS	TOTALS
ASSETS:							
Cash and Cash Equivalents	\$ 92,363	\$ 25,799	\$ 3,491	\$ 185	\$ 76,064	\$ 154	\$ 198,056
Cash on Deposit with Fiscal Agents	35,397	144	-	800	51,558	-	87,899
Investments, at Cost	-	-	399	24,772	-	-	25,171
Receivables, net of allowance							
Loans	-	-	31,049	-	-	-	31,049
Other	38,052	23,846	60	14	2,372	643	64,987
Due from Other Funds	8,416	22	-	-	9,515	1,168	19,121
Due from Primary Government	13,319	-	-	-	218	-	13,537
Inventories	10,900	-	-	-	-	-	10,900
Prepaid Expenses	4,364	-	-	-	1,485	-	5,849
Property, Plant, and Equipment	-	-	-	-	1,075,385	-	1,075,385
TOTAL ASSETS	<u>\$ 202,811</u>	<u>\$ 49,811</u>	<u>\$ 34,999</u>	<u>\$ 25,771</u>	<u>\$ 1,216,597</u>	<u>\$ 1,965</u>	<u>\$ 1,531,954</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES:							
Accounts Payable and							
Accrued Liabilities	\$ 59,294	\$ 4,631	\$ 80	\$ -	\$ 6,479	\$ 417	\$ 70,901
Deposits Held in Custody	355	-	-	-	-	1,548	1,903
Due to Other Funds	10,329	8,594	135	63	-	-	19,121
Bonds Payable	-	-	-	-	108,100	-	108,100
Capital Lease Obligations	250	-	-	-	13,107	-	13,357
Accrued Compensated Absences	27,739	-	-	-	-	-	27,739
Deferred Revenue	15,099	-	-	-	-	-	15,099
TOTAL LIABILITIES	<u>113,066</u>	<u>13,225</u>	<u>215</u>	<u>63</u>	<u>127,686</u>	<u>1,965</u>	<u>256,220</u>
FUND BALANCES:							
Unrestricted	68,372	-	(5)	-	-	-	68,367
Restricted	-	36,586	4,187	13,263	-	-	54,036
Federal Loan Programs Refundable	-	-	30,602	-	-	-	30,602
Quasi Endowment Designated	-	-	-	12,445	-	-	12,445
Trusteed Insurance Programs	21,373	-	-	-	-	-	21,373
Unexpended Plant Funds	-	-	-	-	12,985	-	12,985
Renewals and Replacements	-	-	-	-	80,859	-	80,859
Retirement of Indebtedness	-	-	-	-	77,759	-	77,759
Net Investment in Plant	-	-	-	-	917,308	-	917,308
TOTAL FUND BALANCES	<u>89,745</u>	<u>36,586</u>	<u>34,784</u>	<u>25,708</u>	<u>1,088,911</u>	<u>-</u>	<u>1,275,734</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 202,811</u>	<u>\$ 49,811</u>	<u>\$ 34,999</u>	<u>\$ 25,771</u>	<u>\$ 1,216,597</u>	<u>\$ 1,965</u>	<u>\$ 1,531,954</u>



Horse and mule-drawn equipment doing construction work on a Colfax County road in 1922.



Mule team and an elevator grader work side-by-side in 1929.



## STATISTICAL SECTION

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The Statistical Section presents comparative data for the past ten years, and other pertinent information involving taxes, revenues, expenditures, demographic data and other miscellaneous statistics.

The statistical data is presented to give report users a better historical perspective and assist in assessing current financial status and trends of the governmental unit. Economic data is presented to allow a broader understanding of the economic and social environment in which State government operates.

State of Nebraska

# TEN YEAR SCHEDULE OF REVENUES AND EXPENDITURES – ALL GOVERNMENTAL FUND TYPES

1986 – 1995

(Dollars in Thousands)

	1986	1987	1988	1989
<b>REVENUES:</b>				
Taxes:				
Income	\$ 406,387	\$ 427,226	\$ 505,819	\$ 554,724
Sales and Use	323,951	399,470	453,488	488,813
Petroleum	150,142	163,873	168,389	175,251
Excise	55,985	61,510	60,079	64,061
Business and Franchise	33,330	30,643	32,350	36,648
Other	9,954	9,971	7,368	7,335
Total Taxes	979,749	1,092,693	1,227,493	1,326,832
Federal Grants and Contracts	533,866	530,387	557,804	607,896
Licenses, Fees and Permits	100,834	97,401	90,324	89,550
Charges for Services	32,550	35,478	37,067	42,485
Investment Income	14,981	15,603	27,888	46,094
Rents and Royalties	3,624	3,497	3,903	4,052
Other	6,339	9,238	7,524	16,357
<b>TOTAL REVENUES</b>	<b>\$ 1,671,943</b>	<b>\$ 1,784,297</b>	<b>\$ 1,952,003</b>	<b>\$ 2,133,266</b>
<b>EXPENDITURES:</b>				
Current:				
General Government	\$ 48,345	\$ 49,693	\$ 56,599	\$ 58,848
Conservation of Natural Resources	40,880	40,535	47,923	47,504
Culture – Recreation	3,431	3,655	3,909	4,120
Economic Development and Assistance	55,107	52,095	54,694	53,347
Education	284,538	289,331	302,252	323,947
Health and Social Services	484,200	521,103	563,927	609,432
Public Safety	70,816	71,455	84,786	85,573
Regulation of Business and Professions	23,751	16,956	18,549	18,361
Transportation	344,879	360,842	396,182	398,752
Intergovernmental	77,042	73,694	74,561	98,919
Capital Projects	10,143	4,494	4,439	4,060
Debt Service	1,260	1,200	1,141	1,083
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,444,392</b>	<b>\$ 1,485,053</b>	<b>\$ 1,608,962</b>	<b>\$ 1,703,946</b>

**SOURCE:** Department of Administrative Services, Accounting Division.

Fiscal Years 1986-1987 – Nebraska Comprehensive Annual Financial Report, GAAP Cash Basis.

Fiscal Years 1988-1995 – Nebraska Comprehensive Annual Financial Report, GAAP Accrual Basis.

1990	1991	1992	1993	1994	1995
\$ 564,782	\$ 688,359	\$ 758,832	\$ 780,823	\$ 835,934	\$ 867,037
500,234	616,577	664,202	653,455	746,429	774,012
212,136	218,767	221,485	227,228	247,134	255,278
71,448	72,622	73,105	77,693	92,912	93,822
28,406	28,344	35,799	35,591	44,140	42,786
7,697	8,743	5,325	19,782	17,980	13,616
<u>1,384,703</u>	<u>1,633,412</u>	<u>1,758,748</u>	<u>1,794,572</u>	<u>1,984,529</u>	<u>2,046,551</u>
674,529	716,595	828,356	859,581	978,526	1,112,819
94,195	97,177	100,340	106,958	123,279	131,832
42,843	42,895	44,440	47,965	62,069	69,008
56,192	47,007	36,396	24,320	24,100	34,091
4,107	4,708	6,870	6,265	7,212	7,787
15,146	14,748	18,597	27,331	35,737	39,478
<u>\$ 2,271,715</u>	<u>\$ 2,556,542</u>	<u>\$ 2,793,747</u>	<u>\$ 2,866,992</u>	<u>\$ 3,215,452</u>	<u>\$ 3,441,566</u>
\$ 60,363	\$ 64,280	\$ 69,351	\$ 70,275	\$ 72,535	\$ 77,080
58,545	57,774	51,027	55,860	58,582	62,144
4,606	12,974	13,755	14,501	14,912	17,309
52,603	55,921	54,401	55,684	54,401	59,904
377,268	572,174	628,539	653,332	684,364	740,086
679,019	780,718	891,526	967,959	1,101,264	1,241,041
96,316	109,616	120,773	109,404	155,750	166,367
21,089	31,651	38,100	40,647	44,290	46,508
431,968	454,116	477,160	511,154	543,010	569,731
214,836	99,874	157,538	124,316	93,941	90,287
6,263	7,698	4,639	10,552	3,886	3,234
1,029	-	1,201	1,221	2,413	2,579
<u>\$ 2,003,905</u>	<u>\$ 2,246,796</u>	<u>\$ 2,508,010</u>	<u>\$ 2,614,905</u>	<u>\$ 2,829,348</u>	<u>\$ 3,076,270</u>

State of Nebraska  
**SCHEDULE OF BUDGETARY FUND  
 CONVERSION TABLE**

For the year ended June 30, 1995

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
General	General	State Treasurer	Funds 1000, 1100
Special Revenue	Licensing and Regulation	Secretary of State	Funds 2091, 2092
		Department of Agriculture	Funds 2075, 2076, 2079, 2080, 2081, 2082, 2085, 2087, 2088, 2089, 2178, 2181, 2182, 2187, 2188
		Department of Education	Funds 2131, 2139, 2148
		Public Service Commission	Funds 2140, 2141, 2142
		Department of Revenue	Funds 2159, 2162, 2164, 2166, 2167, 2169, 2170, 2176, 2431
		Department of Banking and Finance	Funds 2191, 2192, 2193, 2194
		Department of Health	Fund 2800
		Fire Marshall	Fund 2211
		Department of Insurance	Funds 2221, 2222, 6223
		Department of Labor	Fund 2230, 2231, 2234, 2235, 2236, 2237
		Department of Social Services	Fund 2263
		Electrical Board	Fund 2121
		Racing Commission	Funds 2361, 2362, 2363, 2364
		Brand Committee	Fund 2391
		Motor Vehicle Industry Licensing Board	Fund 2401
		Real Estate Commission	Fund 2411
		Board of Barber Examiners	Fund 2451
		Real Estate Appraiser Board	Fund 2531
		Oil & Gas Conservation Commission	Fund 2571
		Board of Examiners for Professional Engineers and Architects	Fund 2581
		Board of Examiners for Land Surveyors	Fund 2621
		Board of Public Accountancy	Fund 2631
		Abstracters Board of Examiners	Fund 2661
		Board of Examiners for Landscape Architects	Fund 2731
		Power Review Board	Fund 2741
		Department of Environmental Quality	Funds 2835, 2838, 2841, 2842, 2843, 2844, 2845, 2847, 2849
	Highway	State Treasurer	Funds 6124, 6245, 6246
		Department of Revenue	Fund 7162
		Department of Motor Vehicles	Funds 2243, 2244, 7241
		Department of Roads	Funds 2270, 2271, 2671, 2672, 6271, 7757
	Economic Development	Department of Agriculture	Funds 2083, 2084, 2180, 2184
		Wheat Development, Utilization, and Marketing Board	Fund 2950
		Oil & Gas Conservation Commission	Fund 6571
		Gasohol Committee	Funds 2160, 2601, 2602
		Department of Economic Development	Funds 2074, 2183, 2186, 2331, 2721, 2723, 2724, 2727
		Dry Bean Development	Fund 2860
		Corn Development, Utilization, and Marketing Board	Fund 2189
		Branch Railway	Funds 2901, 5901
		Soybean Development, Utilization, and Marketing Board	Fund 2086
		Grain Sorghum Development, Utilization, and Marketing Board	Fund 2190



State of Nebraska  
**SCHEDULE OF BUDGETARY FUND  
 CONVERSION TABLE (Continued)**

For the year ended June 30, 1995

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Airport Development	State Treasurer	Fund 7759
		Department of Aeronautics	Fund 2171
	Game and Parks	Game and Parks Commission	Funds 2328, 2329, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339
		Economic Development	Fund 2725
	Energy Conservation	Governor's Office	Funds 2812, 2813, 6811
Federal		Department of Administrative Services	Fund 2654
		Legislative Council	Fund 4030
		Governor's Office	Funds 4443, 4811
		Supreme Court	Fund 4050
		Attorney General	Fund 4111
		Department of Education	Funds 4134, 4136, 4144, 4148
		Department of Revenue	Fund 4161
		Department of Agriculture	Funds 4182, 4183, 4184, 4185, 4186, 4190, 4191, 4192, 4193, 4195, 4197
		Department of Health	Funds 4202, 4205, 4207
		Fire Marshal	Fund 4121
		Department of Labor	Funds 4231, 4232, 4235, 4236
		Department of Motor Vehicles	Funds 4242, 4792
		Department of Public Institutions	Funds 4810, 4812
		Department of Social Services	Funds 4260, 4261, 4264, 4268, 4271
		Department of Roads	Funds 4272, 4273
		Department of Water Resources	Fund 4291
		Military Department	Funds 4311, 4312, 4313, 4316, 4326
		Game and Parks Commission	Fund 4332
		Workers' Compensation Court	Fund 4371
		Commission on the Status of Women	Fund 4381
		Correctional Services	Fund 4813
		Postsecondary Education	Fund 4481
		Historical Society	Funds 4541, 4542
		Natural Resources Commission	Fund 4552
		Oil & Gas Conservation Commission	Fund 4571
		Gasohol Commission	Fund 4601
		State Patrol	Fund 4641
		Department of Administrative Services	Funds 4000, 4651
		Equal Opportunity Commission	Funds 4671, 4673, 4674
		Arts Council	Fund 4691
		Department of Aging	Fund 4711
		Department of Economic Development	Funds 4081, 4721, 4722, 4723, 4724, 4728, 4730
		Commission on Law Enforcement and Criminal Justice	Fund 4781
		Commission for the Hearing Impaired	Fund 4820
		Department of Environmental Quality	Funds 4840, 4841, 4842, 4843, 4844, 4845
Health and Social Services		Department of Revenue	Funds 2175, 2269
		Department of Health	Funds 2206, 2208
		Department of Public Institutions	Funds 2252, 2253, 2254, 6812, 6840, 6841
		Department of Social Services	Funds 2260, 2261, 2265, 6262, 7261, 7262
		Department of Administrative Services	Fund 2657
		Foster Care Review Board	Fund 2701
		Department on Aging	Funds 2710, 2711
		Commission for Hearing Impaired	Fund 2821

## State of Nebraska

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the year ended June 30, 1995

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Special Revenue (Cont'd.)	Other Special Revenue	Legislative Council	Funds 2030, 2031, 2033
		Governor's Office	Funds 2040, 2041, 5040, 6041
		Supreme Court	Funds 2051, 2052, 2053, 2054
		Secretary of State	Funds 2094, 2095, 2611
		Auditor of Public Accounts	Fund 2101
		Attorney General	Funds 2111, 2112, 5111
		State Treasurer	Funds 2126, 2127, 7999
		Department of Education	Funds 2130, 2132, 2133, 2135, 2136, 2137, 2138, 2149, 5132
		Department of Revenue	Funds 2157, 2158, 2161, 2163, 2165, 2168, 5161, 5162
		Department of Agriculture	Funds 2078, 2179, 5181
		Fire Marshal	Funds 2122, 2123, 2125
		Department of Labor	Funds 2232, 2233
		Department of Motor Vehicles	Funds 2134, 2242, 2245
		Department of Veterans' Affairs	Fund 2281
		Department of Water Resources	Fund 2687
		Military Department	Funds 2311, 2312
		Board of Educational Lands and Funds	Funds 2321, 2323
		Library Commission	Funds 2340, 4345, 6834
		Liquor Control Commission	Fund 2350
		Workers' Compensation Court	Funds 2371, 2372, 2373
		Commission on the Status of Women	Fund 2381
		Department of Correctional Services	Fund 2469
		Educational Telecommunications Commission	Funds 2471, 6472
		Coordinating Commission for Postsecondary Education	Funds 2481, 6481
		Board of Trustees of the State Colleges	Funds 3248, 3249
		University of Nebraska	Funds 3252, 3254
		Historical Society	Funds 2541, 2543, 2561, 6181, 6542
		Natural Resources Commission	Funds 2551, 2552, 2553, 2660
		State Patrol	Funds 2641, 2643, 2644, 2645, 2646
		Department of Administrative Services	Funds 2651, 2655, 2656, 2658, 2801, 5165, 5802, 5803, 7654
		Commission on Mexican-Americans	Fund 2681
		Arts Council	Funds 2690, 6691
		Department of Economic Development	Fund 2330
		Commission on Indian Affairs	Fund 2722
		Commission on Law Enforcement and Criminal Justice	Funds 2780, 2781, 2782, 2783
		Department of Environmental Quality	Funds 2834, 2836, 2837, 2839, 2840, 2846, 2848, 6845, 6846, 6847
		Commission for Technical Community Colleges	Fund 2831
		Accountability and Disclosure Commission	Funds 2871, 2872
Capital Projects	Capital Projects	State Treasurer	Funds 3300, 3800
		Department of Public Institutions	Funds 2251, 4251
		Educational Telecommunications Commission	Fund 4471
		Department of Administrative Services	Funds 2652, 3202
		Commission on Law Enforcement and Criminal Justice	Fund 3278

State of Nebraska  
**SCHEDULE OF BUDGETARY FUND  
 CONVERSION TABLE (Continued)**  
 For the year ended June 30, 1995

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Enterprise	Lottery	Department of Revenue	Funds 2156, 6161, 6162
	Excess Liability	State Treasurer	Fund 6222
Internal Service	Correctional Services	Department of Correctional Services	Fund 5251
	Buildings and Grounds	Department of Administrative Services	Funds 2650, 5650, 5655, 6652
	General Services	Department of Administrative Services	Funds 5651, 5654, 5658
	Communications	Department of Administrative Services	Funds 2653, 5653
	Central Data Processing	Department of Administrative Services	Funds 5652, 5656
	Transportation Services	Department of Administrative Services	Fund 5657
	Risk Management	Department of Administrative Services	Funds 2891, 2892, 2893, 5659, 5891, 5892, 6892
	Other Internal Service	Secretary of State	Funds 2093, 5090
		Department of Correctional Services	Fund 5270
		Department of Administrative Services	Fund 5801
		Investment Council	Fund 2751
Expendable Trust	Amos Trust	State Treasurer	Fund 6130
	Unemployment Compensation	Department of Labor	Fund 7231
	Ag & Univ Land Lease	Board of Educational Lands and Funds	Fund 6332
	Second Injury	Workers' Compensation Court	Fund 6371
	Vocational Rehabilitation	Workers' Compensation Court	Fund 6372
	Canteen & Welfare	Department of Public Institutions	Funds 6803, 6805, 6810, 6820, 6822, 6823, 6825, 6830
		Department of Correctional Services	Funds 6464, 6465
	Escheat Trust	State Treasurer	Funds 2120, 6128
	PSC Trust Account	Public Service Commission	Fund 6142
	Miscellaneous Trust	Department of Education	Fund 6131
		Department of Public Institutions	Fund 6826
		Department of Correctional Services	Fund 6461
		Educational Telecommunications Commission	Fund 6471
Nonexpendable Trust	Miscellaneous	State Treasurer	Funds 6122, 6126
	Aeronautics Trust	Department of Aeronautics	Fund 6170
	Normal School Endowment	Board of Educational Lands and Funds	Fund 6328
	Veterans Aid	Board of Educational Lands and Funds	Fund 6333
		Department of Veterans' Affairs	Fund 6320
	Permanent School	Department of Education	Fund 6136
		Board of Educational Lands and Funds	Funds 2322, 6334
	Permanent University	Board of Educational Lands and Funds	Fund 6335
	Agriculture Endowment	Board of Educational Lands and Funds	Fund 6513
	J.J. Soukup	Office of Risk Management	Fund 6891
	Insurance Investment Income	State Treasurer	Fund 6123
Pension Trust	State Employees Retirement	Public Employees Retirement Board	Fund 6853
	County Employees Retirement	Public Employees Retirement Board	Fund 6854
	School Retirement	Public Employees Retirement Board	Funds 2851, 6325, 6330, 6336, 6337, 6850, 6851, 6858, 6859
		Legislative Council	Fund 2032
	Judges Retirement	Public Employees Retirement Board	Funds 2853, 6323, 6857
	State Patrol Retirement	Public Employees Retirement Board	Funds 2852, 6327, 6856
Agency	Local Government	State Treasurer	Funds 6125, 7121, 7163, 7752, 7764
		Department of Education	Funds 7131, 7132, 7133
		Department of Insurance	Fund 6224
	Master Lease	Department of Administrative Services	Fund 6651

## State of Nebraska

# SCHEDULE OF BUDGETARY FUND CONVERSION TABLE (Continued)

For the year ended June 30, 1995

FINANCIAL STATEMENT FUND TYPE	FINANCIAL STATEMENT FUND TITLE	AGENCY	FUND NUMBERS
Agency (Cont'd.)	Ohio College Library	Library Commission	Fund 7341
	Short-Term Investment Pool	Investment Council	Fund 7750
	Payroll Withholding	Department of Administrative Services	Funds 6801, 7655, 7801
	Severance Tax	State Treasurer	Fund 7761
	Court Ordered Settlement	Attorney General	Fund 6111
		Department of Banking and Finance	Fund 6191
		Department of Motor Vehicles	Fund 6241
		Department of Social Services	Fund 7263
		Public Employees Retirement Board	Fund 7653
	Deferred Compensation		
Higher Education	Higher Education	State Colleges	Funds 2501, 2503, 2504, 4491, 4900, 4920, 4930, 5501, 5503, 5504, 6494, 6501, 6503, 6504, 6505, 6506
		University of Nebraska	Funds 2502, 2511, 2512, 2514, 2515, 2520, 2521, 2522, 2523, 2525, 3250, 3251, 4512, 4513, 4514, 4515, 4517, 4518, 4910, 5502, 5511, 5514, 5515, 5519, 6502, 6512, 6514, 6515, 6519, 6520, 6521, 6551, 6552, 6553
Public Benefit Corporation	University of Nebraska	University of Nebraska	Funds 6509, 6510, 6511, 6516, 6517, 6518
	Facilities Corporation		
	Nebraska State Colleges Facilities Corporation	State Colleges	Funds 6491, 6493, 6495

State of Nebraska

# REVENUE BOND COVERAGE COLLEGES AND UNIVERSITIES

1986 – 1995

(Dollars in Thousands)

FISCAL YEAR	DEDICATED REVENUES	RELATED EXPENSES	NET REVENUES AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENT	COVERAGE RATIO
1986	27,347	21,868	5,479	3,528	1.55
1987	28,047	21,959	6,088	4,013	1.52
1988	28,832	23,052	5,780	3,917	1.48
1989	31,197	25,094	6,103	4,158	1.47
1990	34,691	26,811	7,880	4,294	1.84
1991	36,342	28,727	7,615	4,380	1.74
1992	38,633	29,922	8,711	5,572	1.56
1993	40,167	31,082	9,085	5,747	1.58
1994	45,730	36,743	8,987	5,694	1.58
1995	49,059	38,680	10,379	5,825	1.78

SOURCE: University of Nebraska and State Colleges.

## State of Nebraska

# COMPARATIVE POPULATION GROWTH NEBRASKA AND UNITED STATES

1940 – 1994 (As of July 1)

YEAR	NEBRASKA	PERCENT CHANGE	UNITED STATES	PERCENT CHANGE
1940	1,315,834		132,122,000	
1950	1,325,510	0.74 %	152,271,000	15.25 %
1960	1,411,921	6.52	180,671,000	18.65
1970	1,483,791	5.09	205,052,000	13.49
1971	1,508,000	1.63	207,661,000	1.27
1972	1,528,000	1.33	209,896,000	1.08
1973	1,533,000	0.33	211,909,000	0.96
1974	1,537,000	0.26	213,854,000	0.92
1975	1,544,000	0.46	215,973,000	0.99
1976	1,552,000	0.52	218,035,000	0.95
1977	1,555,000	0.19	220,239,000	1.01
1978	1,565,000	0.64	222,585,000	1.07
1979	1,574,000	0.58	225,055,000	1.11
1980	1,569,825	(0.27)	227,255,000	0.98
1981	1,577,000	0.46	229,637,000	1.05
1982	1,586,000	0.57	231,996,000	1.03
1983	1,597,000	0.69	234,284,000	0.99
1984	1,605,000	0.50	236,495,000	0.94
1985	1,606,000	0.06	238,740,000	0.95
1986	1,598,000	(0.50)	241,077,000	0.98
1987	1,594,000	(0.25)	243,419,000	0.97
1988	1,602,000	0.50	245,807,000	0.98
1989	1,611,000	0.56	248,777,000	1.21
1990	1,578,385	(2.02)	248,709,873	(0.03)
1991	1,592,000	0.86	252,137,000	1.38
1992	1,604,000	0.75	255,078,000	1.17
1993	1,613,000	0.56	257,908,000	1.11
1994	1,623,000	0.62	260,662,000	1.07
1940-1994		23.34 %		97.29 %

SOURCE: U.S. Bureau of the Census Population

State of Nebraska

# COMPARATIVE UNEMPLOYMENT NEBRASKA AND UNITED STATES

1950 - 1994

YEAR	TOTAL LABOR FORCE	TOTAL EMPLOYMENT	UNEMPLOYMENT	NEBRASKA UNEMPLOYMENT AS PERCENT OF LABOR FORCE	UNITED STATES UNEMPLOYMENT AS PERCENT OF LABOR FORCE
1950	608,500	590,600	17,900	2.9%	5.2%
1960	630,200	613,000	17,200	2.7	5.5
1970(a)	631,700	612,300	19,400	3.1	4.9
1971	644,000	620,500	23,500	3.6	5.9
1972	666,300	643,800	22,500	3.4	5.6
1973	688,900	666,200	22,700	3.3	4.9
1974	719,500	688,600	30,900	4.3	5.6
1975	706,000	663,200	42,800	6.1	8.5
1976	717,100	680,900	36,200	5.0	7.7
1977(b)	750,000	722,000	28,000	3.7	7.1
1978	772,000	749,000	23,000	3.0	6.1
1979	771,000	747,000	24,000	3.1	5.8
1980	763,000	732,000	31,000	4.1	7.1
1981	777,000	745,000	32,000	4.1	7.6
1982	789,000	741,000	48,000	6.1	9.7
1983	791,000	746,000	45,000	5.7	9.6
1984	796,000	761,000	35,000	4.4	7.5
1985	806,000	762,000	44,000	5.5	7.2
1986	813,000	772,000	41,000	5.0	7.0
1987	812,000	772,000	40,000	4.9	6.2
1988	818,000	789,000	29,000	3.5	5.5
1989	812,000	787,000	25,000	3.1	5.3
1990	813,000	795,000	18,000	2.2	5.5
1991	834,000	811,000	23,000	2.8	6.7
1992	838,000	813,000	25,000	3.0	7.4
1993	857,000	835,000	22,000	2.6	6.8
1994	876,000	851,000	25,000	2.9	6.1

(a) Data for 1970 and later are based on a Labor Force concept rather than the Work Force use previously, and are not strictly comparable with data for previous years.

(b) Data for 1977 and later are not comparable to prior years because of changes in the method of estimating the labor force.

**SOURCE:** Nebraska Statistics - 1950-1983 Nebraska Statistical Handbook, Nebraska Department of Economic Development;  
1984-1994 Nebraska Department of Labor.

United States Unemployment - January 1994 Employment and Earnings, U.S. Department of Labor, Bureau of Labor Statistics.

# TOTAL PERSONAL AND PER CAPITA INCOME NEBRASKA, UNITED STATES AND THE PLAINS 1985 – 1994

YEAR	NEBRASKA		UNITED STATES		PLAINS (a)	
	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME	PERSONAL INCOME (IN MILLIONS)	PER CAPITA INCOME
1985	20,808	12,967	3,317,545	13,896	232,842	13,273
1986	21,583	13,708	3,519,364	14,654	244,889	14,078
1987	22,241	14,195	3,789,392	15,638	258,156	14,811
1988	23,908	15,211	4,061,806	16,610	269,192	15,351
1989	25,276	16,050	4,366,135	17,690	289,663	16,462
1990	27,470	17,379	4,655,420	18,666	309,893	17,520
1991	28,689	18,023	4,841,078	19,201	321,971	18,090
1992	30,778	19,189	5,135,452	20,137	343,269	19,133
1993	31,738	19,672	5,361,968	20,800	354,593	19,610
1994	33,249	20,488	5,677,780	21,809	381,786	20,965

(a) States included in the Plains are Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, and South Dakota.

SOURCE: April 1995, Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis.

## State of Nebraska TEN LARGEST PRIVATE EMPLOYERS 1994

NAME OF COMPANY	RANK
Iowa Beef Processors, Inc.	1
Conagra Inc.	2
Mutual of Omaha Insurance Company	3
First Data Resources	4
Union Pacific	5
Burlington Northern	6
Wal-Mart	7
Bakers Supermarkets	8
Nebraska Methodist Hospital	9
U.S. West Communications	10

SOURCE: Research Division, The Department of Economic Development.



## State of Nebraska

# TRANSPORTATION RELATED STATISTICS

1985 - 1994

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>STATE HIGHWAY MILEAGE BY SURFACE TYPE (a)</b>										
<b>RURAL</b>										
Gravel	96	108	108	92	92	79	79	74	74	74
Asphalt, Bitumen	7,596	7,602	7,609	7,713	7,759	7,774	7,801	7,786	7,794	7,794
Concrete, Brick	1,685	1,680	1,653	1,562	1,517	1,514	1,485	1,484	1,453	1,449
<b>TOTAL RURAL</b>	<b>9,377</b>	<b>9,390</b>	<b>9,370</b>	<b>9,367</b>	<b>9,368</b>	<b>9,367</b>	<b>9,365</b>	<b>9,344</b>	<b>9,321</b>	<b>9,317</b>
<b>MUNICIPAL</b>										
Asphalt, Bitumen	323	321	322	321	321	321	325	331	342	347
Concrete, Brick	250	250	255	258	259	260	261	274	281	279
<b>TOTAL MUNICIPAL</b>	<b>573</b>	<b>571</b>	<b>577</b>	<b>579</b>	<b>580</b>	<b>581</b>	<b>586</b>	<b>605</b>	<b>623</b>	<b>626</b>
<b>TOTAL RURAL AND MUNICIPAL</b>	<b>9,950</b>	<b>9,961</b>	<b>9,947</b>	<b>9,946</b>	<b>9,948</b>	<b>9,948</b>	<b>9,951</b>	<b>9,949</b>	<b>9,944</b>	<b>9,943</b>
<b>MILES OF CONSTRUCTION ON STATE HIGHWAYS (a)</b>										
Rural	340	321	460	429	430	493	414	340	469	376
Municipal	16	17	11	19	17	26	23	16	24	29
<b>TOTAL RURAL AND MUNICIPAL</b>	<b>356</b>	<b>338</b>	<b>471</b>	<b>448</b>	<b>447</b>	<b>519</b>	<b>437</b>	<b>356</b>	<b>493</b>	<b>405</b>
<b>MOTOR VEHICLE REGISTRATIONS (b)</b>										
Automobiles	837,948	856,574	870,291	882,451	901,633	917,722	838,803	895,461	940,667	955,138
Trucks										
Farm	140,187	140,987	144,126	145,460	145,749	147,982	128,969	140,095	149,403	148,664
Other	223,280	228,188	231,572	239,560	245,664	273,065	247,831	269,195	288,608	272,685
Motorcycles	43,158	33,077	31,599	29,088	23,560	22,375	20,264	19,582	18,882	19,084
All Other	196,285	208,849	219,821	224,954	243,514	275,003	266,178	296,302	301,757	264,965
<b>TOTAL</b>	<b>1,440,858</b>	<b>1,467,675</b>	<b>1,497,409</b>	<b>1,521,513</b>	<b>1,560,120</b>	<b>1,636,147</b>	<b>1,502,045</b>	<b>1,620,635</b>	<b>1,699,317</b>	<b>1,660,536</b>

**SOURCE:** (a) 1985-1994 Selected Highway Statistics, Nebraska Department of Roads.

(b) 1985-1994 Nebraska Department of Motor Vehicles.

State of Nebraska

# NEBRASKA CASH RECEIPTS FROM FARM MARKETING AND GOVERNMENT PAYMENTS 1985 – 1994

(Dollars in Millions)

YEAR	CASH RECEIPTS FROM FARM MARKETINGS			GOVERNMENT PAYMENTS	TOTAL
	CROPS	LIVESTOCK AND LIVESTOCK PRODUCTS	TOTAL CROPS AND LIVESTOCK		
1985	3,243.1	4,145.5	7,388.6	518.4	7,907.0
1986	2,538.7	4,222.4	6,761.1	858.4	7,619.5
1987	2,198.5	4,940.6	7,139.1	1,274.8	8,413.9
1988	2,410.7	5,390.3	7,801.0	1,091.5	8,892.5
1989	3,078.7	5,646.0	8,724.7	542.3	9,267.0
1990	2,637.9	6,076.2	8,714.1	624.6	9,338.7
1991	3,064.9	5,933.3	8,998.2	490.7	9,488.9
1992	3,009.6	5,675.4	8,685.0	478.7	9,163.7
1993	3,024.9	5,845.9	8,870.8	806.3	9,677.1
1994	3,157.9	5,403.5	8,561.4	348.3	8,909.7

SOURCE: Economic Research Service, U.S. Department of Agriculture.

State of Nebraska

# NEBRASKA HOUSING UNITS AUTHORIZED FOR CONSTRUCTION 1985 – 1994

YEAR	HOUSING UNITS AUTHORIZED	PERCENT CHANGE
1985	5,001	(16.55)
1986	6,236	24.70
1987	4,820	(22.71)
1988	5,739	19.07
1989	6,040	5.24
1990	6,634	9.83
1991	6,235	(6.01)
1992	6,745	8.18
1993	7,751	14.91
1994	7,877	1.63

SOURCE: 1985-1986 – Nebraska Housing Units Authorized for Construction, U.S. Department of Commerce.  
1987-1994 – Housing Units Authorized by Building Permits: Annual 1987-1994, U.S. Dept. of Commerce.

State of Nebraska

# MOTOR FUELS NET TAXABLE GALLONS

1985 – 1994

YEAR	IMPORTING DEALERS	SPECIAL FUELS	GASOHOL	TOTAL	PERCENT CHANGE
1985	508,516,120	159,811,579	235,317,607	903,645,306	(0.22)
1986	539,277,916	165,044,374	209,345,406	913,667,696	1.11
1987	513,749,744	172,205,225	234,755,809	920,710,778	0.77
1988	522,029,163	188,052,766	250,165,089	960,247,018	4.29
1989	508,839,046	191,620,212	263,372,940	963,832,198	0.37
1990	474,744,464	189,772,081	291,658,752	956,175,297	(0.79)
1991	401,151,347	184,069,676	338,655,895	923,876,918	(3.38)
1992	396,493,898	207,628,838	360,390,088	964,512,824	4.40
1993	502,952,626	222,520,682	278,733,437	1,004,206,745	4.12
1994	525,261,561	228,490,205	230,802,731	984,554,497	(1.96)

SOURCE: Nebraska Department of Revenue Annual Report.

State of Nebraska

# BANK DEMAND AND TIME DEPOSITS

1985 – 1994

(Dollars in Millions)

YEAR	DEMAND DEPOSITS	TIME DEPOSITS	TOTAL DEPOSITS	PERCENT CHANGE
1985	2,754	11,001	13,755	8.69
1986	2,902	11,565	14,467	5.18
1987	2,626	11,905	14,531	0.44
1988	2,567	12,506	15,073	3.73
1989	2,680	13,393	16,073	6.63
1990	2,806	14,828	17,634	9.71
1991	2,901	15,682	18,583	5.38
1992	3,174	16,441	19,615	5.55
1993	3,220	17,641	20,861	6.35
1994	3,245	17,414	20,659	(0.97)

NOTE: This data represents balances at December 31.

SOURCE: Federal Deposit Insurance Corporation.

State of Nebraska

# **PUBLIC AND STATE OPERATED ENROLLMENT PREKINDERGARTEN – GRADE 12**

1984/85 – 1994/95

ACADEMIC YEAR	PRE KDG. AND KDG.	GRADES 1 – 3	GRADES 4 – 6	GRADES 7 – 9	GRADES 10 – 12	TOTAL ALL GRADES
1984 – 1985	23,509	60,711	58,313	63,581	60,002	266,116
1985 – 1986	24,698	62,146	57,962	61,191	59,822	265,819
1986 – 1987	24,842	63,953	58,175	58,962	61,207	267,139
1987 – 1988	24,733	65,954	58,480	58,122	60,811	268,100
1988 – 1989	24,292	67,372	60,680	58,471	58,567	269,382
1989 – 1990	24,491	67,117	62,962	59,412	56,407	270,389
1990 – 1991	24,559	66,933	65,380	60,832	55,826	273,530
1991 – 1992	24,702	66,877	67,366	63,261	56,766	278,972
1992 – 1993	24,667	66,313	67,139	65,603	58,157	281,879
1993 – 1994	24,600	65,258	67,374	68,270	58,957	284,459
1994 – 1995	25,304	64,171	67,092	69,186	60,680	286,433

**SOURCE:** 1984-1995 – Statistics and Facts About Nebraska Schools, Nebraska Department of Education.

State of Nebraska

# **PUBLIC HIGHER EDUCATION INSTITUTIONS TOTAL FALL HEADCOUNT ENROLLMENT**

1985 – 1994

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
<b>COLLEGES AND UNIVERSITIES:</b>										
Chadron State College	2,169	2,200	2,250	2,450	2,881	3,065	3,413	3,190	3,020	3,189
Kearney State College	8,725	8,816	9,075	9,094	9,745	9,899				
Peru State College	1,312	1,355	1,396	1,441	1,496	1,526	1,558	1,527	1,601	1,665
Wayne State College	2,669	2,919	2,899	2,874	3,324	3,512	3,925	3,761	3,765	3,886
University of Nebraska										
Lincoln	24,020	23,899	23,469	23,985	24,168	24,598	24,803	24,752	24,695	24,089
Omaha	13,789	13,907	14,210	14,985	15,475	15,811	15,986	16,227	15,899	15,051
Kearney							8,256	8,374	8,045	7,584
Medical Center	2,354	2,188	2,253	2,279	2,405	2,444	2,631	2,759	2,703	2,778
TOTAL COLLEGES AND UNIVERSITIES	<u>55,038</u>	<u>55,284</u>	<u>55,552</u>	<u>57,108</u>	<u>59,494</u>	<u>60,855</u>	<u>60,572</u>	<u>60,590</u>	<u>59,728</u>	<u>58,242</u>
<b>COMMUNITY COLLEGES</b>										
Central CC	7,945	8,796	9,127	9,676	10,284	10,915	9,971	11,014	11,458	11,128
Metropolitan CC	6,547	6,835	6,595	6,629	7,383	8,520	9,573	10,301	10,978	10,686
Mid-Plains CC	2,617	2,930	2,863	2,905	3,020	2,891	2,880	3,055	3,337	2,934
Northeast CC	2,335	2,392	2,562	2,687	2,205	2,815	3,172	3,257	3,408	3,612
Southeast CC	5,018	5,418	5,498	5,861	6,226	6,317	5,839	6,002	5,777	6,647
Western CC	1,663	2,405	2,273	2,508	2,364	1,940	2,182	2,248	2,591	2,308
TOTAL COMMUNITY COLLEGES	<u>26,125</u>	<u>28,776</u>	<u>28,918</u>	<u>30,266</u>	<u>31,482</u>	<u>33,398</u>	<u>33,617</u>	<u>35,877</u>	<u>37,549</u>	<u>37,315</u>
TOTAL ALL INSTITUTIONS	<u>81,163</u>	<u>84,060</u>	<u>84,470</u>	<u>87,374</u>	<u>90,976</u>	<u>94,253</u>	<u>94,189</u>	<u>96,467</u>	<u>97,277</u>	<u>95,557</u>

**NOTE:** Kearney State College became the University of Nebraska at Kearney in 1991.  
University of Nebraska-Lincoln count includes NCTA-Curtis for all years.

**SOURCE:** Fall Headcount Enrollments in Nebraska Institutions of Postsecondary Education as reported by the Institutions for the Federal IPEDS Survey, Coordinating Commission for Postsecondary Education.

State of Nebraska

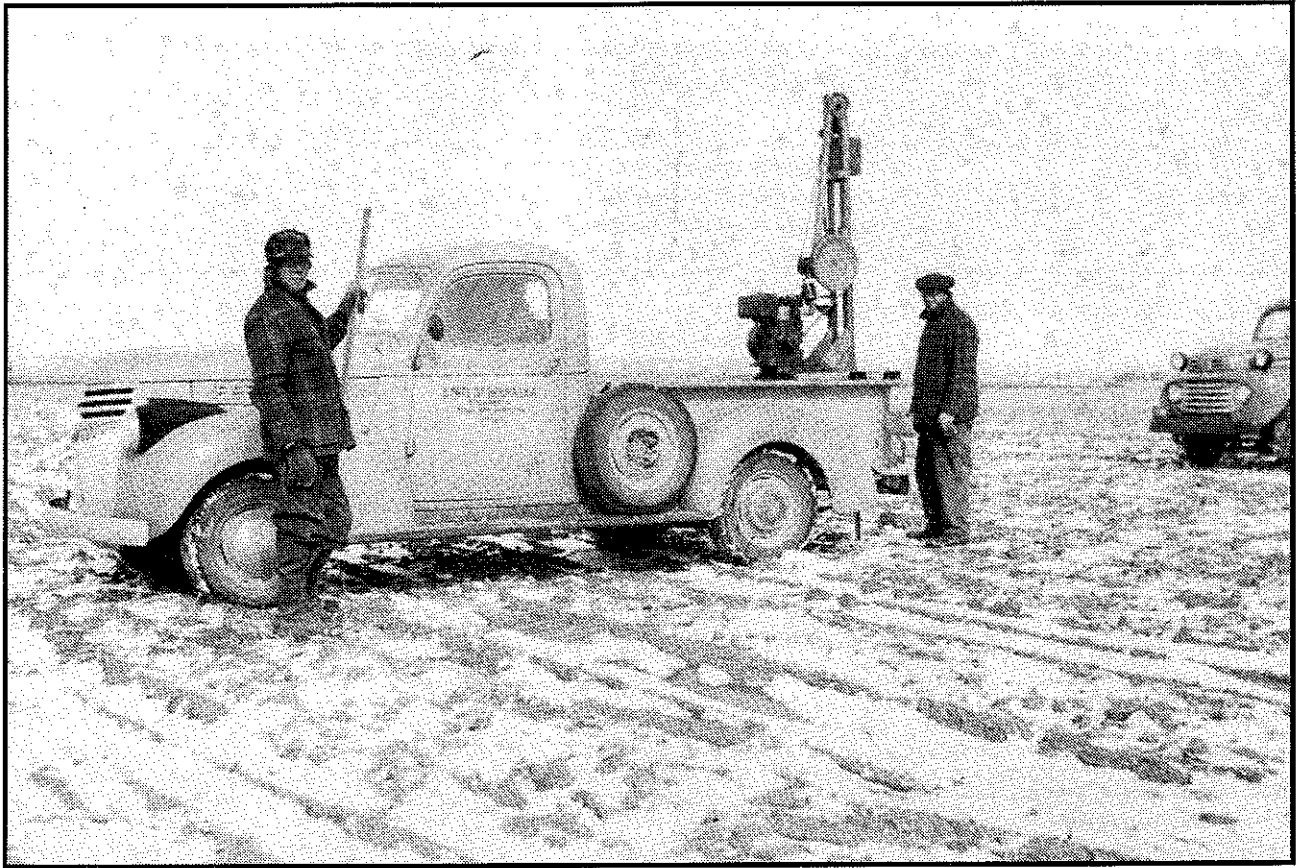
## MISCELLANEOUS STATISTICS

June 30, 1995

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Date Entered Union	March 1, 1867 (37th State)
Form of Government	Legislative -- Executive -- Judicial
Land Area	77,355 square miles (15th largest in U.S.)
Elevation	840 to 5,424 feet above sea level
Capital	Lincoln
Largest City	Omaha
Origin of Name	From Oto Indian word "Nebrathka" meaning "flat water"
Nickname	Cornhusker State (from method of harvesting or "husking" corn by hand)
Recreation:	
Fish Hatcheries	5
State Parks	8
Historical Parks	10
Recreation and Wildlife	
Management Areas	251
State Police Protection:	
Number of Troops	6
Number of Patrolmen	409

**SOURCE:** Nebraska Blue Book, 1994-95.



This 1951 view shows workers installing posts for a snow fence to keep blowing snow off the roads.



This is an open cab snow plow clearing snow on Highway 7 in 1931.